

Invigorated by Strike, Soviet Miners Throw Off Their Chains

By Michael Dobbs
Washington Post Service

DONETSK, U.S.S.R. — Two years ago, Yuri Boldirev was thrown out of the Soviet Communist Party for "political immaturity" and "hastiness in democratization." In non-bureaucratic, he had tried too early to bring perestroika to the Gorky mine where he worked as a laborer.

Today, after the 10-day miners' strike that shook the Soviet Union last month, Mr. Boldirev and his allies are virtually running the mine.

The entire workers' council — the Soviet equivalent of the board of directors — has been replaced. The work force has elected new trade union officials, and the mine director who had Mr. Boldirev expelled from the party has been forced to resign.

The upheaval at the Gorky mine in this grimy Ukrainian city reflects the political struggle taking place at all levels of Soviet society as President Mikhail S. Gorbachev pursues perestroika, his drive for renewal.

Like all revolutions, perestroika is about the redistribution of power. The question that must be decided, to use Lenin's expression, is "Who commands whom?"

"Everything has changed as a result of the strike," said Alexander Kalinin, a Soviet journalist with many years' experience of the Donbass coal basin. "The workers ceased to be afraid of the bosses. It's as if they suddenly threw off their chains and became free."

Now that the strike is over, the 5,700 workers at the Gorky mine are beginning to flex their political muscle. During a 10-

hour meeting this month, they accused mine officials of corruption and mismanagement and voted the 17-man strike committee headed by Mr. Boldirev onto a new workers' council.

Not a single manager, Communist Party official or trade union official was elected. The mine director, Vladimir Prishchepa, received only 831 "yes" votes. A trade union organizer, Sergei Moskalchuk, came in bottom of the poll with 530 votes — a sign of the general contempt for the old, party-controlled unions.

The meeting of the workers' collective, held in a football stadium next to the mine, witnessed an outpouring of resentment and frustration. For hour after hour, once-proud mine officials were forced to listen to complaints that most workers would not have dared to voice in public a few months ago.

Several miners accused the director of favoring his cronies in the allocation of vouchers for cars and apartments, enabling them to avoid the usual wait of 10 to 15 years.

Some complained that labor and materials belonging to the mine were being used to build country cottages, known as dachas, for the bosses. Others demanded to know why the miners never got to use a vacation home ostensibly built for their benefit.

What is at issue here is not only power, but privilege. In a country like the Soviet Union, where practically everything is in short supply, power means access to goods and services that are otherwise impossible to obtain. It is the key to a comfortable lifestyle.

"In most mines, corruption runs from top to bottom — from the manager of the mine right down to a foreman in a department," said Mr. Boldirev, who led the striking workers. "The bosses know that if they lose power, they will also lose their dishonestly earned wealth. That's why they're so afraid."

Under Stalin in the 1930s, the Donbass region was a symbol of breakneck industrialization and the triumph of economic planning. Today, with its unprofitable coal mines, disgruntled work force and corrupt managers, it could almost be a metaphor for the challenge facing Mr. Gorbachev as he tries to modernize the Soviet economy.

The emphasis on boosting gross output, whatever the economic and ecological cost, has remained the cornerstone of the Soviet economic system since the Stalin era. Western notions of profit and loss have recently been accepted in theory, but have proved extraordinarily difficult to implement in practice.

Like 90 percent of Soviet enterprises, the Gorky mine depends on state subsidies in order to remain in business. To qualify for future subsidies, the mine must fulfill its production target under a five-year plan drawn up in Moscow. Everything from the promotion prospects of managers to the bonuses received by ordinary workers depends on meeting planned targets.

When the Kremlin announced a new era of "cost-accounting" at the beginning of 1987, nothing much changed at the Gorky mine. There was no real incentive to switch to the new system, since factories that

succeeded in operating at a lower cost would simply receive fewer subsidies. Fulfilling the plan — or at least appearing to fulfill it — was all that mattered.

In many mines, supervisors can use a bonus system to control the work force. In return for obedience and regular kickbacks, a supervisor logs a worker as having fulfilled the plan, whether or not this is in fact the case. It is then up to the supervisor to mix dust with coal or otherwise cook the books to make it seem that the target has been met.

There are other forms of corruption. One of the most common is the use of mine employees on private outside projects, like building garages or dachas. Such workers are considered to enjoy the special protection of the management.

It was this Mafia-like system that Mr. Boldirev and a few friends sought to break two years ago at the Gorky mine. Mr. Boldirev got himself elected as a Communist Party organizer. A friend, Sergei Vasiliev, was elected trade union secretary. They proposed organizing work on the basis of a "team contract," paying miners according to results and scratching those who worked privately from the payroll.

The resulting conflict led to Mr. Boldirev's dismissal last month, when the shop supervisor was joined and Mr. Boldirev, who clearly enjoyed the support of most of the work force after leading the strike, was elected head of the new workers' council, with Mr. Vasiliev as its president.

The new council voted to set up commissions to investigate abuses like the use of mine labor and materials for the construction of private dachas. The workers themselves will now supervise distribution of new apartments and automobiles. The trade union sanatorium is to be reserved for miners.

Workers' power may help expose the most blatant examples of corruption at the Gorky mine. Turning the mine into a profitable enterprise, in line with Mr. Gorbachev's restructuring plans, is another matter. The miners clearly have no desire to vote themselves out of work.

The workers-directors of the Gorky mine are already discovering how difficult it is to create a capitalist-style enterprise in the midst of an economy plagued by scarcity and inefficiency.

"Cost-accounting" seems a mirage when prices are largely fictitious. Doing away with the system of payoffs for favors is unfeasible when the mine depends on the underground economy for supplies.

The newly released anger of the Donbass miners has become a powerful social force — and one that Mr. Gorbachev would like to tap. But it is not yet clear whether it will be constructive or destructive.

Mr. Boldirev quotes a line from a novel by the Soviet writer Fyodor Isakander: "What a slave wants most is not freedom, but revenge."

"That's what is happening here," Mr. Boldirev says. "It's an insurrection of slaves. Unless we know how to control our anger, it could cost us victory."

WORLD BRIEFS

Ex-U.S. Legislator Gets Perjury Term

ATLANTA (AP) — A former member of Congress, Patrick J. Swindall, was sentenced to one year in prison Monday for having lied to a federal grand jury about a loan he had negotiated with an undercover agent who was posing as a drug-money launderer. U.S. District Judge Richard C. Freeman also imposed a \$30,000 fine against Mr. Swindall, who was convicted on nine counts of perjury in June.

The two-term Republican from Atlanta's eastern suburbs spoke to the judge for about half an hour in rambling remarks. "I stand before you in all humility," he said at one point, but Judge Freeman interrupted him, saying, "You don't know the meaning of humility, Mr. Swindall. I thought you were beginning to learn it, but I'm afraid you're not."

Evidence in his trial showed that Mr. Swindall had repeatedly talked with the undercover agent and a political associate as he was seeking \$850,000 to finish a luxurious house.

Hong Kong Police Halt Refugee Riot

HONG KONG (Reuters) — Hong Kong riot policemen regained control Monday of a barren island where Vietnamese refugees rioted Sunday, driving police guards away. A 250-man force landed by helicopter and patrol boat to quell violence on the island, which has become a prison for 4,500 refugees.

The Vietnamese, who are being held there in makeshift shelters without running water, rioted over rice rations. A spokesman said the police were moving about 1,000 South Vietnamese refugees to another island.

Refugee workers have long warned of serious violence among Vietnamese in Hong Kong, whose dreams of a new life have ended in cramped, barbed-wire detention camps.

Sakharov Probing Wallenberg Case

STOCKHOLM (AP) — The Soviet human rights activist Andrei D. Sakharov visited local camps this year in search of Raoul Wallenberg, but failed to turn up any trace of the missing Swedish diplomat, the newspaper Svenska Dagbladet said Monday.

Previously classified documents published by the newspaper also relate that, during his visits, Mr. Sakharov heard of another long-term prisoner who may have been mistaken for Mr. Wallenberg by other inmates.

Mr. Wallenberg is credited with saving tens of thousands of Hungarian Jews from Nazi extermination before vanishing after his arrest in 1945 by Soviet troops who entered Budapest. The Soviets say he died in prison in 1947, but accounts from other prisoners have indicated that Mr. Wallenberg may have been alive long after the official report of his death in 1957.

Israeli Jets Disrupt Hezbollah Rites

BEIRUT (Reuters) — Israel jets staged mock raids on Hezbollah, or Party of God, positions in east Lebanon on Monday as the fundamentalist group mourned in Janta, near the Syrian border, militants and civilians killed by a Sunday air strike.

Scores of bearded men accompanying the bodies of six militants marched through Shiite Muslim suburbs of south Beirut punching the sky with their fists and swearing revenge against "the Zionist enemy."

Sunday's attack destroyed a Hezbollah base in the southern village of Ain Bouswar. Nine persons were killed and 25 wounded. Hezbollah said many of the wounded were refugees and some were children.

Ex-Athens Aide Reportedly Tracked

ATHENS (Reuters) — The minister of public order said Monday that a former government spokesman, Yannis Roubatis, was kept under surveillance in Greece and abroad for possible involvement in terrorist activities.

Yannis Kefaloyannis said that Mr. Roubatis, a personal aide of former Prime Minister Andreas Papandreu, was among a number of officials watched by the Greek Intelligence Service during eight years of recently ended socialist rule. He said that the service kept files on political parties, including the main conservative opposition New Democracy and the Greek Communist Party.

Japan's Ruling Party Wins Key Test

TOKYO (Combined Dispatches) — A candidate backed by the governing Liberal Democratic Party has won the mayoral election in Kyoto, defeating a divided opposition in an election being interpreted as a sign of how the Liberal Democrats may do in national parliamentary voting.

Tomoyuki Tanabe, a 64-year-old doctor, defeated his communist-backed closest rival, Mampei Kimura by 321 votes, the Kyoto Election Committee said Sunday. There were seven other candidates, including one supported by the main opposition Japan Socialist Party. Mr. Tanabe won 148,836 votes.

The election was the first test for the Liberal Democrats since Prime Minister Toshiki Kaifu's chief cabinet secretary, Tokuo Yamashita, resigned last week after confirming he had an extramarital affair with a bar girl. The resignation came two weeks after Mr. Kaifu took office, raising doubts about his ability to clean up his party's image, which has been bruised by sex and bribery scandals. National elections are due to be held by next summer. (AP, Reuters)

TRAVEL UPDATE

U.S. Plane to Aid Airlift in Australia

SYDNEY (AP) — A walkout by Australian pilots crippled domestic air service Monday for the sixth straight day as a U.S. DC-8 arrived, the first charter aircraft from overseas to help with an emergency airlift. The Arrow Airlines plane from Miami was to go into service Tuesday flying freight from Melbourne to Perth.

The country's 1,650 pilots resigned last week when their demand for a 30 percent pay increase was not met. The government, which has called the demand unacceptable, said it hoped that foreign planes and crews would join air force planes that have begun transporting some of the 36,000 people who usually fly daily around Australia.

Meanwhile, domestic carriers reported an enthusiastic response to newspaper advertisements for pilots placed at home and abroad.

Colombia: Americans Again Warned

WASHINGTON (UPI) — The State Department issued a new warning Monday urging Americans to postpone all but essential business trips to Colombia because of increased violence associated with that country's drug war.

The new warning is in addition to earlier State Department advisories specifically urging no travel to rural areas, no travel at night or to the city of Medellin, the headquarters of the cocaine drug cartel.

Cabin staff of the Belgium airline Sabena resumed a slowdown that will delay flights by two hours because talks with the management ended without agreement Friday, a Sabena spokesman said. (Reuters)

Morocco is having a boom in tourism, with the number of visitors in the first half of the year rising by a record 45 percent to nearly 1.2 million. But tourism professionals said visitors were bedeviled by bureaucracy, bloated bills and the badgering of tourists by guides and hustlers. (Reuters)

WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Amsterdam	18	14	W 10-15	Bangkok	32	24	SE 10-15
Antwerp	18	14	W 10-15	Beijing	28	20	SE 10-15
Berlin	18	14	W 10-15	Hong Kong	32	24	SE 10-15
Bombay	32	24	SE 10-15	Kobe	28	20	SE 10-15
Brussels	18	14	W 10-15	Manila	32	24	SE 10-15
Buenos Aires	28	20	SE 10-15	Osaka	28	20	SE 10-15
Cairo	32	24	SE 10-15	Seoul	28	20	SE 10-15
Canton	32	24	SE 10-15	Singapore	32	24	SE 10-15
Cebu	32	24	SE 10-15	Taipei	28	20	SE 10-15
Colon	32	24	SE 10-15	Tokyo	28	20	SE 10-15
Dacca	32	24	SE 10-15				
Delhi	32	24	SE 10-15				
Edinburgh	18	14	W 10-15				
Geneva	18	14	W 10-15				
Hankow	32	24	SE 10-15				
Hong Kong	32	24	SE 10-15				
Kobe	28	20	SE 10-15				
London	18	14	W 10-15				
Los Angeles	28	20	SE 10-15				
Manila	32	24	SE 10-15				
Medan	32	24	SE 10-15				
Memphis	28	20	SE 10-15				
Moscow	18	14	W 10-15				
Mumbai	32	24	SE 10-15				
Nairobi	32	24	SE 10-15				
Paris	18	14	W 10-15				
Perth	28	20	SE 10-15				
Port of Spain	32	24	SE 10-15				
Rangoon	32	24	SE 10-15				
San Francisco	28	20	SE 10-15				
Singapore	32	24	SE 10-15				
Sourabaya	32	24	SE 10-15				
Taipei	28	20	SE 10-15				
Tokyo	28	20	SE 10-15				
Yokohama	28	20	SE 10-15				

TUESDAY'S FORECAST — CHINA: Lightly overcast. FRANKFURT: Showers. TAIPEI: Partly cloudy. HONG KONG: Partly cloudy. SINGAPORE: Partly cloudy. MANILA: Partly cloudy. CANTON: Partly cloudy. BEIJING: Partly cloudy. SHANGHAI: Partly cloudy. TIENTSIN: Partly cloudy. PEKING: Partly cloudy. HANKOW: Partly cloudy. KANGAE: Partly cloudy. YOKOHAMA: Partly cloudy. TOKYO: Partly cloudy. OSAKA: Partly cloudy. KYOTO: Partly cloudy. SINGAPORE: Partly cloudy. MANILA: Partly cloudy. CANTON: Partly cloudy. BEIJING: Partly cloudy. SHANGHAI: Partly cloudy. TIENTSIN: Partly cloudy. PEKING: Partly cloudy. HANKOW: Partly cloudy. KANGAE: Partly cloudy. YOKOHAMA: Partly cloudy. TOKYO: Partly cloudy. OSAKA: Partly cloudy. KYOTO: Partly cloudy. SINGAPORE: Partly cloudy. MANILA: Partly cloudy. CANTON: Partly cloudy. BEIJING: Partly cloudy. SHANGHAI: Partly cloudy. TIENTSIN: Partly cloudy. PEKING: Partly cloudy. HANKOW: Partly cloudy. KANGAE: Partly cloudy. YOKOHAMA: Partly cloudy. TOKYO: Partly cloudy. 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Private Rocket Sends Satellite Into Space for the First Time

By William J. Broad

New York Times Service

NEW YORK — A privately owned rocket has fired a payload into orbit for the first time in the history of the space age.

The 11-story Delta rocket, built and launched by McDonnell Douglas Space Systems Co., of Huntington Beach, California, roared off a launching pad at Cape Canaveral, Florida, late Sunday afternoon, carrying into space a television broadcasting satellite for a British company.

Although private companies have previously sent small rockets on suborbital flights, the launching on Sunday was the first in which a privately owned rocket was big enough to boost a payload into an Earth orbit.

In contrast to this commercial advance, the thousands of other satellites put into orbit since the Soviet Union ushered in the space age with its launching of Sputnik in 1957 have all been launched by government agencies or government-owned companies in the United States, Europe, India, Japan, China, and the Soviet Union.

"This is the beginning of a whole new era in space for America," said Stephanie Lee-Miller, director of the Transportation Department's commercial space office in Washington. "We're now aggressively entering the world competition to launch satellites."

The office, which regulates the new fleet of commercial rockets, expects six more private launchings to take place this year. It says a total of 27 additional launchings are now scheduled through 1993. The space office weighs mission

safety, sets insurance standards, and issues licenses to companies for private launchings.

The new fleet will compete against ArianeSpace, a consortium based in France that is owned by the 11 Western European governments that make up the European Space Agency.

The majority of the world's commercial satellites are now launched by ArianeSpace. Since 1979, 29 Ariane rockets have been successfully launched from its spaceport at Kourou in French Guiana. ArianeSpace currently has orders to lift 33 satellites. While the consortium says it is a private, profit-making venture, U.S. officials contend it is subsidized by European governments.

"This is a proud milestone for McDonnell Douglas and yet another positive step in the nation's return to space pre-eminence," Carl J. Dornenbacher, president of McDonnell Douglas Space Systems, a subsidiary of McDonnell Douglas Corp., said.

The building of private rockets, a goal long pursued by many small American companies, picked up speed when President Ronald Reagan ordered most commercial payloads off the U.S. fleet of space shuttles after the shuttle Challenger exploded shortly after liftoff on Jan. 28, 1986, killing the seven crew members.

Mr. Reagan's action instantly created a large market for satellite launchings. Major American rocket companies, including General Dynamics Corp., McDonnell Douglas, and Martin Marietta Corp., were quick to respond.

They founded groups to commercially market their rockets,

which previously had been sold exclusively to the government. But their production lines had been virtually closed down after the space shuttle was designated the national launcher for all payloads, and it took some time for them to gear up for heightened production.

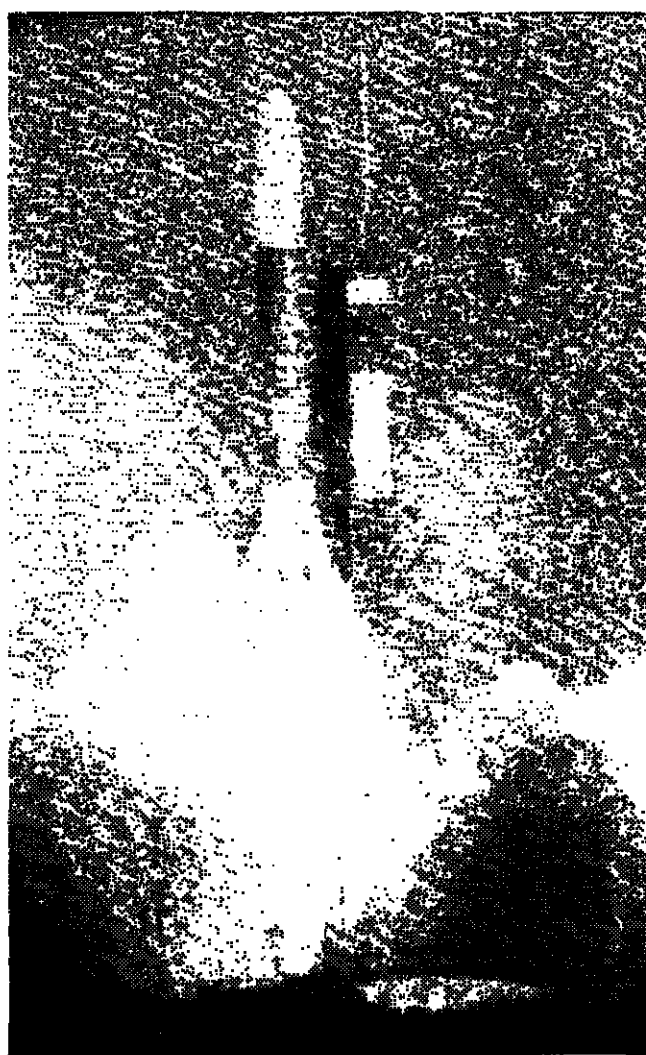
The push for commercial rocket production was accelerated in early 1988 when Mr. Reagan disclosed a plan to spur private space ventures. The plan included limits on the liability of private space ventures and to give private companies greater use of such federal installations as rocket launching pads.

In March, the first private rocket big enough to require a U.S. license roared into space from the Defense Department's White Sands Missile Range in New Mexico on a successful suborbital flight that lasted about 15 minutes.

The satellite launched on Sunday was built by Hughes Aircraft Co., of Los Angeles, a subsidiary of General Motors Corp., for British Satellite Broadcasting of London, which plans to beam television programs from space to homes in Great Britain whose receivers are equipped with special dish antennas.

The television satellite, which will be 24 feet long (7.3 meters) long when deployed, will take several days to reach a point about 22,300 miles (35,700 kilometers) above the Equator, where its orbit will keep the craft stationary in relation to the rotating Earth. Hughes was hired by British Satellite to build two such satellites and have them launched into space under a \$300 million contract.

The Delta rocket that launched the satellite was a standard one that McDonnell Douglas has sold many



The McDonnell Douglas rocket lifting off from Cape Canaveral.

times to the government. What was new this time, was that the company owned it and controlled its launching.

The rocket was fired from the Cape Canaveral Air Force Station in Florida. The launching team was made up of a mixture of McDon-

nell Douglas employees and air force personnel and contractors. Sheila M. Carter, a spokeswoman for McDonnell Douglas, said that the air force would be paid more than \$1 million for the use of its launching pad and tracking stations.

Cocaine Traffic Is Flourishing Across U.S.-Mexican Frontier

By Richard L. Berke

New York Times Service

NOGALES, Arizona — South American cocaine cartels have transformed this desert town and other seemingly bucolic points along the Mexican border into international drug passageways that now rival those of southern Florida.

The flow of illegal narcotics across the 2,000-mile (3,200-kilometer) border into Arizona, California, New Mexico and Texas marks a dramatic shift in strategy by the drug barons that is seriously hindering efforts to stop cocaine from entering the United States.

Although the cartels are still funneling drugs through Florida, stepped-up law enforcement there has driven much of the business to the Southwest.

And once the new surge of cocaine makes it past this seemingly endless and often unguarded barrier, the traffickers are finding it extremely easy to push it to the remotest corners of the country. There are these related developments:

• The flow of drugs into the Southwest has turned Los Angeles, Tucson and Phoenix into leading drug distribution markets, and consumption is rising particularly fast in those cities as well. For example, the Phoenix authorities report that members of the Crips drug gang are flying from Phoenix on commercial airlines to Kansas City, Missouri; Tulsa, Oklahoma; Chicago; Denver; Dallas; and Wichita, Kansas, to deliver cocaine.

• More and more allegations are surfacing of law-enforcement officers, both federal and local, being corrupted. In a recent case a veteran Border Patrol officer was arrested on drug-trafficking charges, and the authorities are investigating the possible involvement of other agents.

• Drug-enforcement officials in the field are complaining bitterly that federal decisions in the early 1980s have left them seriously unprepared to meet the present crisis. At a time when Border Patrol officials in Arizona have an average of one agent to patrol every 12 miles of border, the Bush administration's proposed budget for the fiscal year 1990 would result in even fewer agents along the border.

Sharp increases in violence along desert trails and highways are a by-product of the rise in smuggling. On a recent afternoon a Border Patrol agent at San Ysidro, California, came upon dozens of teen-age smugglers from Mexico climbing through rocky canyons into the United States. Rather than hide or run, they brazenly picked up their pace, knowing that there was nothing a single officer could do to stop them.

Indeed, worried that the smugglers would begin throwing rocks at him, the officer jumped into his all-terrain vehicle and hurried back to the station.

Not all smugglers get away. The other day, the view from a two-story Nogales roof featured an almost

daily occurrence: four people on a nearby hillside climbing over a chain-link fence, in full sight of the port of entry into the United States from Mexico.

They were promptly arrested with their contraband by Border Patrol agents.

But this seizure was clearly the exception. Most smugglers, whether on foot, in a motor vehicle or in an airplane, elude capture. Customs Service officials estimate that they can search no more than 5 percent of the vehicles that pass through ports of entry.

Typically, within an hour after they mend the international fence that separates the two countries, they find fresh gaps within an hour.

Rudy M. Camacho, a Customs Service official in Nogales, said, "The drug craze has so permeated every part of society that we no longer have a typical profile for a smuggler."

Explaining that drug smugglers are of all ages and walks of life, he said, "We've pulled pounds of heroin off grandparents with kids in tow."

Because so much gets through undetected, no one knows the full volume of cocaine, marijuana and other drugs that are moved illegally across the border, but statistics point to dramatic escalations.

In the first nine months of the fiscal year 1989, federal agencies seized 26,000 pounds (11,800 kilograms) of cocaine along the southwestern border, nearly 15 times as much as they seized in the same period in 1986.

The Federal Reserve Bank's cash surplus in Los Angeles has soared to \$3.8 billion from \$165 million in 1985, a rise that law enforcement authorities attribute largely to drug money being laundered in Los Angeles. Federal narcotics experts now estimate that at least one-third of the cocaine that enters North America is routed from Mexico across the southwestern border, with most of the remainder entering by two routes: a Pacific Ocean route from Colombia to California and to Vancouver, British Columbia, and a Caribbean route from Colombia to Florida and New York.

The southwestern routes were opened more than a century ago when Mexican workers, Chinese immigrants, cigars and mescal were illegally slipped into the United States through Mexico.

Alcohol was the most common contraband smuggled across the border during Prohibition, and in the late 1960s and early 1970s marijuana flooded across.

In the field today, the agents, relatively few in number, say that when they direct their flashlights at a group of backpackers with drugs, the smugglers scatter quickly. At best, they may leave the drugs behind. Or, if the police or border patrol spot a suspicious car or truck and pursue it, the driver may simply wheel around and speed back into Mexico.

Even when caught, these "mules" are generally of little real value in solving the broad problem. They usually say that they know nothing about the group that hired them, and often that is the case.

Joseph Alsop, Outspoken Columnist, Dead at 78

By Bart Barnes

Washington Post Service

WASHINGTON — Joseph W. Alsop Jr., 78, one of the most influential and widely read political columnists of the postwar and Vietnam eras, died Monday at his home in Washington of heart problems and emphysema.

Mr. Alsop, whose Washington column has been syndicated in more than 250 newspapers, was known for his strongly held opinions on a variety of issues and his conviction that the world pre-eminence of U.S. armed forces was essential to the nation's freedom and security and the survival of Western civilization.

He was a passionate anti-communist and one of the staunchest and most vocal supporters of an aggressive military policy in Vietnam during the 1960s, a period in which he was sometimes called the capital's leading hawk. Long after the fall of Saigon in April 1975, Mr. Alsop insisted that it was a war "we could have won and should have won."

During the Cold War era of the 1950s his columns warned repeatedly that the United States was losing its military superiority to the Soviet Union and that dire consequences would surely follow.

He was a versatile writer and a scholar of wide-ranging interests, and his columns often contained

references to classical literature, ancient mythology and the Bible. Time magazine said he was probably the only Western newsmen to have read Confucius in classical Chinese, a language he learned while being held prisoner by the Japanese during World War II.

Politics and diplomacy were Mr. Alsop's main subjects, but he also wrote books about the history of art collecting, the Bronze Age in Greece and the low-carbohydrate diet. He was a collector and connoisseur of fine art himself.

As a reporter he was energetic and well-connected. A typical workday included at least four interviews with high government offi-

cials, and he generally worked six days a week.

Known as a lively and engaging conversationalist, Mr. Alsop was also a grand and ubiquitous figure on Washington's social scene. He was a personal friend of President John F. Kennedy, and he helped persuade Mr. Kennedy to select Lyndon B. Johnson as his vice-presidential candidate.

His column, Matter of Fact, was written with his younger brother, Stewart, from 1946 until 1958, when the brothers agreed on a friendly dissolution of their partnership. The elder Mr. Alsop then wrote the column himself until he retired in 1975.

Joseph Wright Alsop Jr. was

born Oct. 11, 1910, in Avon, Connecticut, where his father had been a tobacco farmer, a wealthy insurance executive and a member of the state legislature.

He graduated from Groton School and in 1932 from Harvard University, where he was magna cum laude.

Until that point he had never given a thought to a career in journalism, but his family had connections at The New York Herald Tribune and arranged a job there for him.

He viewed himself, first of all, as a reporter. "We tried to have at least one new fact in each column," he said in an interview earlier this year.

Irving Stone Dies, Was Prolific Writer

By Albin Krebs

New York Times Service

Irving Stone, 86, a prolific author whose exhaustively researched and often immense biographical novels included "Lust for Life," based on the story of Van Gogh, died of heart failure Saturday night in a hospital in Los Angeles.

Mr. Stone also wrote "The Agony and the Ecstasy," based on the life of Michelangelo, and biographical novels centering on the lives of Andrew and Rachel Jackson, Mary Todd Lincoln, Eugene V. Debs and the Impressionist painter Camille Pissarro.

He was sometimes credited with inventing the biographical novel in its contemporary form. He was indisputably the most successful master of the genre.

"His books on historic figures have given a lively impression of the past to hundreds of thousands of readers who could have been reached by no method less vivid and vigorous than his," said the historian Allan Nevins.

Although biographical novels were his specialty, Mr. Stone also produced two biographies, "Clarence Darrow for the Defense" in 1941, and "Earl Warren" in 1948. "They Also Ran," a lively study of unsuccessful presidential candidates, was published in 1943. There were more than two dozen Stone books, including two nonbiographical novels, and he wrote a number of unsuccessful plays.

The young Irving Stone was bookish and often tried his hand at short-story writing. He said many years later that he was deeply influenced by Jack London, who eventually was the subject of Stone's biographical novel, "Sailor on Horseback."

In choosing historical subjects to write about, what aroused Mr. Stone's curiosity was the suspicion that a character had been misunderstood or unfairly misrepresented by previous studies. He was also intrigued by how the women in the lives of men in the public eye influenced them.

For example, he became convinced that Jessie Benton Fremont was not only exciting but also an intelligent woman living in a time of extraordinary change.

She had married a brilliant man, John C. Fremont, a colorful 19th-century explorer, politician and soldier. Mr. Stone chose to place the focus of his story on the woman in Fremont's life, and "The Immortal Wife" (1944) became one of his most popular books.

Mr. Stone again examined the effect of marriage on an important historical figure in "Adversary in the House," a 1947 novel about Eugene V. Debs, the American radical, and in "The President's Lady"

(1951), a romantic account of Andrew and Rachel Jackson.

Mr. Stone also wrote a novel about the relationship of Abraham and Mary Todd Lincoln, "Love is Eternal," in 1954.

For his study of Michelangelo, "The Agony and the Ecstasy," published in 1961, Mr. Stone spent more than two years in Italy doing research. The total research and writing time was more than four years.

"My books are based 98 percent on documentary evidence," Mr. Stone once said.

He added: "I spend several years trying to get inside the brain and heart of my subjects, listening to the interior monologues in their letters, and, when I have to bridge the chasm between the factual evidence, I try to make an intuitive leap through the eyes and motivation of the person I'm writing about."

J. Wallace Hopkins Jr., 58, Official of Energy Agency

PARIS (IHT) — J. Wallace Hopkins Jr., 58, long-time deputy executive director of the International Energy Agency, died Sunday of cancer.

Mr. Hopkins, a graduate of Yale University and Harvard Law School, had practiced law in New York City and had been a legal adviser to the U.S. State Department before joining the energy agency in 1975.

He was senior warden of the American Cathedral in Paris and president of the American Library of Paris.

Survivors include his wife, Elisabeth, of Paris; his mother, Josephine Hopkins of Wellington, North Carolina; five children from a previous marriage, and four grandchildren.

Services will be at 4 P.M. Wednesday at the American Cathedral in Paris.

Other deaths: Feliks Topolski, 82, a writer and artist who painted royalty as well as battle scenes for the British government, Thursday of heart disease in London.

Burhan Shahidi, 95, a Chinese Muslim who was in turn a revolutionary in the Soviet Union, a Chinese Nationalist diplomat, a suspected German spy and adviser to the mainland Communists, on Sunday of a heart attack in Beijing.

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One of Mr. Newton's mourners standing by the casket before it was moved to an Oakland church.

Mourners Mark Newton 'Tragedy'

The Associated Press

OAKLAND, California — Thousands of friends and admirers of Huey P. Newton lined up for three blocks outside a funeral home to pay their respects to the slain founder of the Black Panther Party.

"This is a terrible tragedy for blacks," said LeRoy Johnson, 44, who was among the people who waited Sunday to attend the day-long wake. "He stood for black pride in the '60s and now he stands for the decimation of blacks by crack."

Mr. Newton, 47, was shot last weekend in what police said was a dispute over crack in the drug-ridden west Oakland neighborhood.

Bonn 'Stealing,' East Germans Say

Reuters

BERLIN — East Germany revived on Monday an argument used to justify the Berlin Wall and accused Bonn of luring its best workers away with job promises.

Thousands of East Germans are emigrating legally to West Germany and many more are crossing illegally to Austria or Hungary's border. Others are in West German diplomatic missions in Prague and East Berlin hoping for exit papers.

East Germany's biggest newspaper, the daily Junge Welt, said those crossing to Austria or sheltering in Bonn's missions were being used as pawns in a Western game. "Let's not mince words," it said in an editorial, "there are attempts going on to steal again."

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BUSH LEAGUE — President George Bush, playing first base, failing to catch a wild throw during a softball game between the White House staff and the traveling press corps in Kennebunk, Maine.

Herald Tribune

Published With The New York Times and The Washington Post

Westward to Germany

Two great migrations from Eastern Europe to the west, chiefly to West Germany, have changed Europe's demography since World War II. The first was in the years after the war. The second is gathering momentum now.

The East Germans who have taken refuge in the West German mass exodus in Berlin and Prague, and who are streaming by the hundreds across the Hungarian border into Austria, have become the symbols of this wave of population. But most of the migrants are coming westward legally. For every desperate soul who makes his way west by guile or stealth, there are a couple of dozen who obtained exit papers from their Communist governments and came west through the passport control booth.

Most of them are ethnic Germans, benefiting from Bonn's constitutional promise of automatic citizenship to anyone who can claim German descent. In the first six months of this year, 120,000 of them came to West Germany from Poland and an additional 49,000 from the Soviet Union. From East Germany about 9,000 came across the border illegally — but 47,000 arrived with their papers in order. In all, nearly a quarter of a million people poured into West Germany from the east from January through June.

West Germany, with its democratic freedoms and its high standard of living, is a powerful magnet, and it is not hard to see why people come. The East Germans built the Berlin Wall in 1961 to prevent precisely

this kind of drain. The migrants tend to be young and reasonably well educated; they would have been valuable to the failing economies they leave behind. The Polish government has for years given its people much freedom to travel, and the Soviets have relaxed some restrictions. East Germany's intentions are harder to read. It is a relatively small country and cannot afford an outflow at the present rate for very long.

The best guess is that Erich Honecker, the East German chief of state, hoped to relieve the pressure of discontent by letting some of the loudest complainers depart. But it turns out that there are more people who wanted to leave than perhaps he thought, and the anxiety to get out is now feeding on itself. As more people go, more people are seized by a desperate eagerness to follow them, legally or otherwise. As they sense that the door may soon slam shut again, the rush is increasing.

In West Germany, this inflow is tightening competition for jobs and housing, and feeding at least a passing ripple of resentment. It has recruited votes for the squalid and ultra-rightist Republican Party. But these new hands will be useful in a country whose birth rate is below the replacement level. The greater significance of this tremendous migration is its reflection of the condition of life in Eastern Europe, and the collapse of morale in the countries from which these people are coming.

—THE WASHINGTON POST.

The Danger of Fudging

The collapse of the two-month-old ceasefire in Angola sends a warning message to would-be peacemakers everywhere. It is all very well to arrange for the fighting to stop, but it probably will not stay stopped if you fail to arrange what is to happen after the ceasefire. The people who are trying to fix a peace for Cambodia should take note.

What has happened in Angola was all too predictable. In late June, at a village called Gbadolite in Zaïre, a gathering of African leaders persuaded the two sides in Angola's civil war — the leftists who hold the capital, and Jonas Savimbi's UNITA guerrillas — to stop fighting. The essential next bit, however, was fudged.

UNITA wanted the ceasefire to be followed by a temporary coalition between the two sides, with instructions to organize the best try Angola could make at a free election. The regime sitting in Luanda wanted a "power-sharing" deal, by which it seemed to mean giving UNITA some government jobs but keeping most of the power for itself.

On top of all the usual difficulties of enforcing a ceasefire in a sprawling guerrilla war, this inevitably meant that fighting would break out again and, last week, it did.

This was a double failure. The Gbadolite peacemakers should not have dodged the political side of their job. They should also, in these late 1980s, have accepted that any political settlement for Angola must be based, as far as possible, on the expressed wishes of Angola's people.

There are omens here for the other Soviet

or Soviet-backed wars dating from the Brezhnev era, wars the optimists had hoped could be wound up speedily under Mikhail Gorbachev's benign gaze. The mess in Afghanistan is not the result of deliberate fudging. Last year's international agreement was designed merely to get the Soviet army out of Afghanistan, not to prescribe how the Afghan rivals might come to terms with each other. It may not be long, however, before the peacemakers have to have a go at that, too.

And they are face to face with this issue in Cambodia. A conference of foreign ministers has assembled in Paris to examine the non-progress made toward a Cambodian peace since the ministers first met earlier this summer. The hard fact is that there is unlikely to be a ceasefire in Cambodia — maybe not even a withdrawal of the Vietnamese army — unless what happens after the ceasefire is clearly spelled out.

For democrats observing the trouble in Angola, what should happen in Cambodia is fairly obvious. A temporary coalition government could be set up with instructions to prepare for a free election in, say, two years' time. The awful decision facing the foreign ministers is whether this coalition includes the Khmer Rouge. If it does, the risk is large. If it does not, the peace-making countries will have to send an enforcement army into Cambodia to keep the Khmer Rouge excluded. It is a stark choice. But if one looks at Angola, fudging it will be folly.

INTERNATIONAL HERALD TRIBUNE.

Feminism Takes Root

"I'm not one of those women's libbers."

The sentence sounds like a joke now, a laugh-getter on a television show. But not so long ago it was a sentiment shared by millions. Many men felt they had nothing to gain from feminism — many women felt they had everything to lose. To the latter, the women's movement that began in the 1960s was more a threat than a promise.

Today it is a fact of American life, and "women's libber" belongs in a dictionary of American slang, along with "tin lizzie" and "movie" and "23-skiddoo." The term, and the mockery it implies, is that out of date.

Just how out of date is clear from the results of a nationwide New York Times poll of 1,025 women and 472 men. The women's movement, a majority of both groups says, has made male-female relationships more honest. It has enabled 70 percent of the women with full-time jobs to believe they have equal chance for promotion. And it may be why 72 percent of the men, like 83 percent of the women, say they sometimes feel torn between jobs and families.

If working women have adopted the occasional male value, isn't it possible that occa-

sional men have adopted a few female ones?

But parity is not yet here — nor is perfect understanding. "Sometimes I think my husband is talking another language," one woman says. "He thinks he's being sympathetic and all that, but he just doesn't get it."

The price paid for change is high and, it seems, unequally shared. Many women affirm the proposition that "men are willing to let women get ahead, but only if women still do all the housework at home."

Nearly half the women say they have "given up too much" — time with their children, quality of their home lives — in exchange for gains in the workplace. One-third of the men agree.

But would they want to turn back the clock? Absolutely not.

If anything, the majority of all women, and the majority of men between 18 and 44, want to see the clock tick faster. The United States, they say, needs a strong women's movement — one that will keep on pushing. Feminism, for all its long history, has had continually to reinvent itself. Now it has put down deep, strong roots.

—THE NEW YORK TIMES.

Other Comment

Fateful Days in Moscow

Troubles in China, political transformation in Poland and manifestations of growing anti-Russian sentiment in many republics at home are prompting Soviet citizens to wonder aloud whether Mikhail Gorbachev's liberalization has gone too far.

For the first time, missivings about the scope of the reforms are not limited to conservatives. Two reformist scholars argue in a remarkable article in Literaturnaya Gazeta that the Soviet Union should not try to move directly from totalitarianism to democracy but should pass through a stage of authoritarianism. Such sentiment will play into the hands of Gorbachev's foes.

Since March's elections devastated the Communist Party, Mr. Gorbachev has been facing a growing revolt in the party apparatus. He has become the first Soviet chief since Nikita Khrushchev to be openly at-

tacked by his colleagues in the Kremlin leadership. "All manner of scum has risen to the surface on the wave of the healthy processes in society," Prime Minister Nikolai Ryzhkov, an erstwhile supporter, declared last month, defining that "scum" as "democratic unions, dubious rallies and many other similar manifestations." This criticism against pluralism was echoed by others in the Politburo.

There is the correct Marxist-Leninist position. Lenin talked about parliament as "lap dogs" designed "for the special purpose of fooling the 'common people'."

Mr. Gorbachev has gradually grown to realize that the Communist Party is not the "vanguard" of creativity but a braking mechanism that threatens to halt reforms. But as the Soviet Union's internal polarization increases and its social and economic crisis deepens, so do his problems in reforming and controlling that party.

—The Baltimore Sun.

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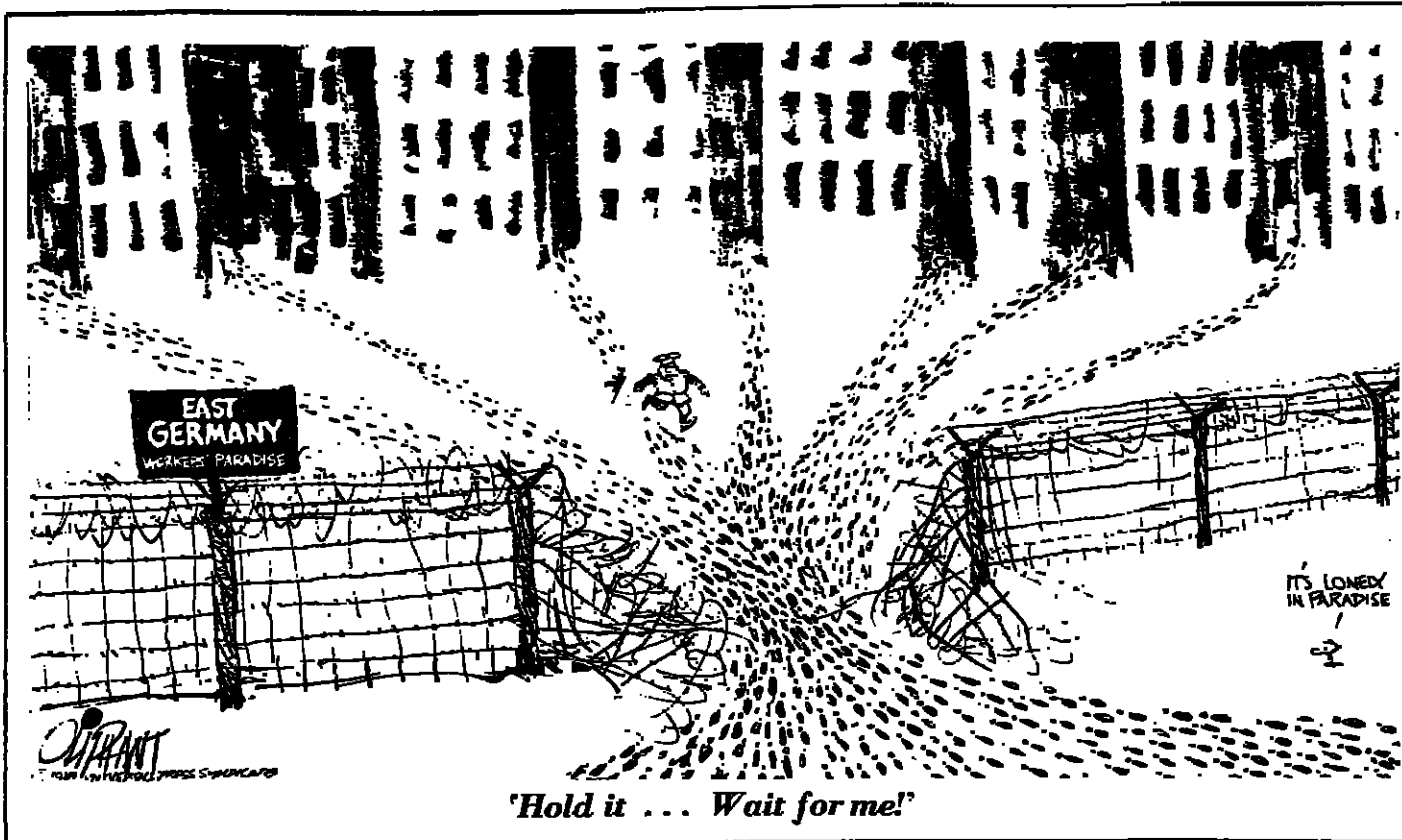
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Globalization: It's Become More Than a Catchword

By Robert J. Samuelson

WASHINGTON — "Globalization" is the hottest new business trend. It is one of those fashionable words that people love to use even if they're not sure what it means. But something is indeed changing. Giant multinational companies are slowly beginning to lose their national identities. They are engaged in a worldwide competition for "the scarcest resource of all talent," as Christopher Bartlett of the Harvard Business School put it.

Here are some telltale signs. From 1985 to 1987, U.S. companies increased research and development spending in their foreign laboratories by nearly 40 percent. In 1988, European companies raised their investment in the United States by 16 percent. For the first time, a major Japanese company (Sony) has appointed an American director. These and other changes point toward a further breakdown in the autonomy of national companies and economies.

Of course, big companies have long been global. In 1988, U.S. companies had \$327 billion invested abroad and about six million overseas workers. But most multinational companies have never fit the stereotype of truly stateless enterprises. They have retained their national character. After World War II, U.S. companies invested in foreign markets on the basis of superior technology and products. American companies could make and sell abroad what they had perfected at home.

Overseas operations tended to remain separate from and subordinate to U.S. corporate headquarters. In different ways, the same has been true of Japanese and European multinational firms. For example, the Japanese advantage lay primarily in superior manufacturing. Costs were low, quality high. So Japanese companies manufactured at home and created huge sales companies abroad. But control remained firmly in Japan.

That reality is now quickly changing. Companies are increasingly disregarding national boundaries and trying to organize manufacturing, product development and research on a truly worldwide basis. Consider some changes by U.S. companies:

- Until the late 1970s, Kodak produced a full range of films in plants around the world. To improve efficiency — both in the United States and elsewhere — Kodak decided to have each plant produce fewer films in greater quantities. Finished films are then shipped to different markets.
- One of Procter & Gamble's major new products of the 1980s — Liquid Tide, introduced in 1984 — was developed as a joint project by researchers in P&G laboratories in the United States and Europe.
- Hewlett-Packard assigns worldwide responsibility for designing, manufacturing and marketing different products to separate plants around the world. A West German division handles fiber-optic test equipment. An

Australian division manages computer-aided engineering software.

Globalization hardly occurs in a flash. Despite recent increases, for example, less than 10 percent of research and development by U.S. companies was done abroad in 1987. And many industries are not affected at all. Cultural differences among nations will not disappear. National or regional companies are more efficient in many businesses. Newspapers will never become a truly global industry.

Changes are occurring mostly in industries in which products and technologies are similar across borders. Electronics, chemicals and machinery are three good examples. Because markets in these industries are genuinely global, the companies that maximize total world sales have the best chances of recovering the high costs of developing new products.

Old formulas for overseas expansion no longer work. U.S. companies can no longer grow simply on the strength of superior technology. Japanese companies can no longer manufacture at home and sell abroad.

Protectionism and a higher yen are forcing Japanese firms to build plants elsewhere. As for the Europeans, they must expand or risk being overrun by U.S. and Japanese competitors.

The terms of competition are subtly changing, as Mr. Bartlett of Harvard argues in a new book ("Managing Across Borders," co-authored by Sumantra Ghoshal). Increasingly, companies will flourish, or fail, on how well they become multicultural organizations. They will need to create effective cooperation between people of different nationalities. Some U.S., European and Japanese companies already have succeeded at this. Others are having trouble. More cooperation will be required.

American companies have some advantages. English is the global business language, and Americans are generally accepting of outsiders. But many American executives dislike working abroad, says Stephen

Kobrin, a professor of management at the University of Pennsylvania.

Japanese strengths and weaknesses are reversed. Executives go abroad in great numbers, but Japanese companies have a reputation for keeping non-Japanese from positions of power. Mr. Bartlett thinks European firms, with a cosmopolitan tradition, may do best at cultural balancing.

As a practical matter, most companies will never completely lose their national characters or allegiances. But the blurring of identities is an irreversible consequence of the growth of global commerce. If unsettling, this trend is not destructive.

The marketplace for ideas and technologies is now worldwide. Companies are the means of transmission. The nations that prosper will be those best able to exploit the best new ideas and technologies. It will help the United States if (good) foreign companies become more American and (good) American companies become more foreign. Cosmopolitan corporations are the wave of the future.

Washington Post Writers Group.

Even the French Are Importing English

By Jim Hoagland

PARIS — Even in an era when communist dictators use their powers to promote democratic elections, when Republicans in Washington preside over huge budget deficits and housing scandals, when the greenhouse effect is scrambling the weather — even then, Americans should be able to count on a few time-tested verities: Like Mike Tyson's left jab, ants at a picnic, and the French being snooty and defensive about their language and culture.

But another fixed point of the international landscape is on the move. The French are beginning to recognize that the sun has set on their linguistic empire. They are increasingly seeing that language is an important weapon in the commercial war raging around the globe, and that the tongue profiting from this is not theirs.

President Bush put it bluntly this summer in Budapest in announcing the dispatch of Peace Corps English teachers to Eastern Europe for the first time. "English is the lingua franca of world business, the key to clinching deals from Hong Kong to Toronto," he said. Learning English would "open the global market to more Hungarians."

Not long ago, Mr. Bush's contention would have been derided, satirized or ignored by French intellectuals and politicians. Now, any number of Frenchmen will tell you that he is absolutely right. And they will tell you so in English if you do not speak French. That is news, as any monolingual American who has visited Paris in the past will tell you.

On the day Mr. Bush was speaking in Budapest, his point was being echoed in Paris by Maurice Allais, the

1988 Nobel laureate in economics. Writing in Le Monde, the Paris daily, Mr. Allais told his countrymen that it was time to adjust to the economic and scientific realities created by the growing dominance of English in the world.

Mr. Allais is a well-known figure in France, and not just because of this year's Nobel for economics, the first ever to a Frenchman. A few weeks before the October stock market crash in 1987, he published several articles warning of the "instability" of financial markets and the dangers investors faced. Since then, when Mr. Allais writes, people listen.

He is now warning the French that they have to accept and try to exploit the secondary rank that France commands as a linguistic power if they are to avoid a broader intellectual crash. By agreeing to publish more in English and achieve wider international recognition, intellectuals can preserve "French thought," as opposed to the French language. This Lutheresque schism between thought and language would have been branded heresy even a decade ago. Today, it wins Allais support.

The Allais plan also includes European treaties to require university graduates to learn two foreign languages. He would graft these treaties onto the European integration process in the calculation that Germans, Spaniards, Danes and others would continue to choose English as their primary foreign language and turn to French as a respectable second choice.

"The integration of Europe is changing the way history is taught

and culture is perceived in these countries. We can be less nationalistic and more open to cooperating with other nations," Mr. Allais said. "In France, as a result of two world wars, history was taught in a very nationalistic way." This is no longer necessary or desirable.

I had expected Mr. Allais to provide provocative insights about his country; I had not expected him to provide them about my own. But Americans should consider the contrast drawn by this sympathetic and perceptive foreign observer between Europe and the United States.

The concern expressed in Le Monde, Mr. Allais told me, was prompted by a recent trip abroad during which he was struck by the extent to which "educated people in Japan, in Canada, in the United States do not speak French — or any other foreign language. It is a dangerous thing for the educated classes of important countries not to speak foreign languages. We are heading into an era of greater mutual incomprehension among peoples, when demographic trends are destabilizing many countries, when Latin America is economically unstable, when communist societies are unstable, when we may be on the edge of chaos."

Mr. Allais sees the growing acceptance of English as having negative feedback for Americans who no longer feel any pressure to learn foreign languages. "What strikes me when I visit America is that it seems much more nationalistic than ever. And I am struck by the degradation of English in public use, in newspapers or in speeches. It is as if the American people feel they can afford to be indifferent to their language."

As President Bush noted in his Budapest speech, foreigners today are not indifferent to English. They are eager to learn English and other foreign languages, and to use them correctly and expressively as a passport to fuller and better lives. That is true today even for the French.

It is a desire that every American should share.

The Washington Post.

Don't Bow So Deeply to the Japanese

By Diana Henriques

NEW YORK — Working women in the United States had better start thinking seriously about what the increasing influence of the Japanese means to them.

A friend of mine, an elegant man of middle years who works in the same financial circuit where I earn my living, recently told me with some bemusement about an evening reception he had attended.

A major New York bank was playing host to an equally formidable Japanese institution. The wine flowed, the canapés circulated, the flowers nodded in the waft of conversation among several hundred polite and expensively clad people — almost all of them men.

Now, my pal can dish the manly bonhomie with the best of them. But this was no locker room; this was a party, for heaven's sake. Where were the women?

His polite probing produced one inescapable conclusion: It was deemed important that the Japanese visitors be made to feel at home. And at home is where the women in their lives traditionally stay. So their ever-so-tactful New York hosts apparently decided that their women — wives and executives — should stay home, too.

In the long litany of crimes against my gender, it was a minor infraction — yes, maybe even an understandable one. Banking relationships with the Japanese, an essential element of any U.S. strategy for global competition, are difficult to establish. One cultivates such important clients carefully, tirelessly, aware that one's rivals in London and Paris and Sydney are doing the same.

If the client you are wooing is not comfortable doing business with women, wouldn't it be foolish, with so much at stake for your career and institution, maybe even your country, to handicap yourself by including women in your courting party?

Then, a few weeks back, small news items caught my already uneasy eye. The first reported that two American subsidiaries of the Recruit Company of Japan were accused by the vice chairman of the U.S. Equal Employment Opportunity Commission of using an internal code by which job requests were pigeonholed by racial and sexual preference. The phrase

"call Mariko" allegedly meant "Japanese only."

The second was an article by a business columnist who observed that the Supreme Court's shift on affirmative action earlier this year might make life in the United States a bit easier for Japanese companies, unaccustomed to playing by American rules.

American women still have a long way to go to achieve genuine equality of opportunity and pay, and the recent judicial shift will not make the trip any easier.

It is true that the progress of American women dwarfs that made by our Japanese sisters; our freedoms, legal and social, are such that many Japanese women in the United States weep when they must relinquish them to return home. But our gains are still fragile, extending but a few molecules deep in many regions, in many professions. A major turn in the cultural tide now could wash them away.

And the vast expanding pool of Japanese wealth is just such a cultural tide. In America's market-driven society, the client calls the tune. By dint of hard work and institutionalized self-sacrifice, the Japanese have become The Client of the Western World.

Their situation embodies the truth behind that old joke defining the Golden Rule: You got the gold, you make the rule. And, compounding the risk for American women, these seeking Tokyo's gold these days — big banks, top law firms, major manufacturing companies — are exactly those institutions where women executives are still such a rarity that they may not be able to effectively dispute whether the customer is, indeed, always right.

My generation of women overcame personal doubts and professional hazards to push out the borders of life for our gender. Those gains, infuriatingly incomplete, are our daughters' birthright.

Yet women will not be the only casualties. If the gentlemen from Tokyo are not comfortable with a black executive, or a Hispanic, or a fellow Asian of the "wrong" background — the cultural evidence on that score is ominous — then male executives, too, may find themselves crossed off the guest list.

Ms. Henriques is a staff writer at Barron's Magazine. She contributed this comment to The New York Times.

A New Aim: Not Cannons But Castles

By William Colby and Daniel Plesch

WASHINGTON — At the spring NATO summit meeting, President Bush told fellow alliance leaders that "our aim is nothing less than removing war as an option in Europe." The Conventional Armed Forces in Europe talks, intended to achieve this aim, reconvene Sept. 7, shortly after the 50th anniversary of the outbreak of World War II. It is salutary to realize that even if Mr. Bush's proposals for these NATO-Warsaw Pact talks are implemented, 40,000 tanks will remain in Europe — twice as many as when Hitler's armies marched into Poland. The reductions in aircraft now on the table would leave each side with 5,700 combat aircraft, equaling the 1939 total of some 11,000.

Not only will the numbers that remain after a CFE agreement be massive, but a simple count of weapons could be a disastrous guide to security. One myth about World War II is that appeasement left the British and French outgunned by the Nazis. In fact, the Nazi armies that overran France in 1940 did so from a position of numerical inferiority. In the blitzkrieg, the Germans had some 3,000 tanks facing 4,000 British and French ones. The Nazi secret was the organization of their forces — they concentrated their armor in divisions with bombers leading the attack, while the French spread their tanks out as infantry support in penny packets.

Thus, if Mr. Bush's goal is to be achieved, far more radical reductions must be made and the forces restructured to eliminate the option for attack. Unfortunately, the Atlantic alliance continues to define stability as a "status quo plus" composed of two massive, if balanced, forces of tank armies and nuclear-armed air fleets. This is better than the current Warsaw Pact predominance, but it leaves a militarily unstable situation.

Several useful proposals could help the alliance respond more appropriately to the opportunities offered by Soviet "new thinking." The former U.S. commander of NATO forces, General Andrew Goodpaster, has called for the negotiation of further mutual reductions to roughly 50 percent of the West's present strength. Both houses of Congress have asked the president to report on how deeper cuts would affect U.S. and NATO forces. Many in Europe are proposing the restructuring of forces to favor the defense over the attack.

To the lay person, the notion of nonoffensive defense may seem implausible. In another time the idea would have been to scrap cannons while permitting the building of castles. But military analysts in a number of West German institutes have constructed detailed studies proposing the elimination of all mobile armor and support units from forward zones and the creation of more static defensive positions. Such schemes would prohibit the fielding of an offensive force while providing ample defensive strength. The result would be a state of mutual defensive superiority.

These changes would render unnecessary the current NATO strategy of the first use of nuclear weapons against superior conventional forces. European publics have long felt that this strategy is not a credible posture. But NATO need not revise its commitment to defend the stemmestoss to maintain heavy forces far forward if that is the threat: If the residual threat is composed of light forces, then light forces will suffice — especially with an on-site verification system that would prohibit surprise.

As the CFE talks reconvene in Vienna, the negotiators working to hammer out an agreement should take a longer view by preparing for further cuts and force restructuring. If war on the 1940s model between France and Germany has become inconceivable because of the changes in Western Europe, it is time to move to make that model equally inconceivable for war with Eastern Europe.

Mr. Colby is a former director of central intelligence. Mr. Plesch is director of the British American Security Information Council, an independent research organization. They contributed this to The Washington Post.

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100, 75 AND 50 YEARS AGO

1889: Calling on Cody

PARIS — The Russian Grand Dukes George Alexandrovich, George Michaelovich and Alexander Michaelovich, with their suites, visited Buffalo Bill's Wild West show yesterday [Aug. 28]. Colonel Cody, in 1873, acted as guide to the Grand Duke Alexis in his hunting expedition in the then territories of the Far West.

1914: Battle at Sea

LONDON — Britannia still rules the waves. Her grim grey watchdogs have come to grips in the North Sea with Germany's navy, and as a result of what the Admiralty terms "a concerted operation of some consequence" in Heligoland Bight, yesterday [Aug. 28], two German cruisers, one of them the Mainz, the fastest cruiser in the German navy, were sunk. News from the front is very brief. M. Millerand, the new Minister of War having decided to cease issuing communiqués containing a mass of minor details.

1939: 'Gliding' Into War

BERLIN — The momentous meeting between Chancellor Hitler and the Ambassador of Great Britain, which the whole world expects will tip the scales on the side of peace or war, took place at the Reich Chancellery late tonight [Aug. 28], shortly after Sir Neville Henderson arrived at the Tempelhof airport. The interview began at 10:20 p.m. and ended at 11:40 p.m. A huge crowd of men and women, many showing dread and anxious faces, a few merely curious, lined the streets from the British Embassy to the Chancellery. Adolf Hitler greatly aggravated the crisis by raising his demands on Poland to include the Corridor as well as Danzig. France yesterday glided into a regime of war. A government censorship over the press, radio and cinema was set up. The eminent French dramatist, Jean Giraudoux, who was recently appointed French propaganda chief, was placed at the head of the censor's bureau at the Hotel Continental.

OPINION

Auschwitz: The Agonizing Debate

By William Pfaff

PARIS — The distressing conflict between Roman Catholics and Jews that has broken out at Auschwitz in Poland is driven by the belief of each that the other is attempting to appropriate the moral legacy of the death camp to sectarian advantage. This is not so, but unhappily the fact that it is not so does not stop people from thinking that it is so.

This affair began with a small community of Carmelite nuns setting up in the building at Auschwitz that was used during the war to store the gas used to murder the camp's victims. The Carmelite order, founded in 1432, whose most famous member was the great religious reformer and mystic Theresa of Avila, is a contemplative community whose members live a strictly cloistered life of poverty, sacrifice, and prayer of atonement for human sin.

It is obvious why they thought it right to install themselves at Auschwitz, and why the Polish church authorities agreed. They are not in the camp itself but in a building outside the camp perimeter.

The matter attracted little attention until a Belgian Catholic group appealed five years ago for funds for the nuns, using terms which seemed to suggest that this was some kind of gesture toward the conversion of Jews to Christianity. The language rapidly was withdrawn, but Jewish groups began to ask why Catholic nuns should establish a convent in a place of Jewish sacrifice and of Jewish memory.

A growing controversy, mainly in Western Europe, led to meetings in Geneva in 1986 and again in 1987 between representatives of the international Jewish community and church officials from Poland, Belgium and France. The latter agreed that the convent would be considered "provisional" and they promised that it would be relocated within two years of the date of the second meeting's adjournment, in February 1987. This has not been done. A postponement was agreed upon but the new deadline again was not met.

Several weeks ago, a group of Jewish activists from the United States tried to force their way into the convent and were ejected by Polish workmen on the site. This episode was followed by demonstrations at Auschwitz by other Jewish groups, and by contradictory statements by church officials. The Polish archbishop whose diocese includes Auschwitz announced that he was indefinitely suspending fulfillment of the Geneva agreement because of "the atmosphere of aggressive demands" created by the Jewish groups.

The archbishop of Lyon, who had been one of the four cardinals to sign the Geneva agreement, declared that it must be honored. The Vatican has been silent on the specific issue of Auschwitz, as if it

were a local matter, but its silence has been equivocal. It certainly is not, any longer, a local matter.

Polish attitudes in the affair reflect the fact, frequently ignored in the West, that more than six million Polish civilians perished in World War II, in addition to half a million fighting men and women, many of them serving under British command on western fronts. In 1945, Poland was left with a million war orphans. It lost more than a third of its national assets, as measured by a postwar claims commission. (Britain lost 0.8 percent of its assets by this measure; the United States experienced vast growth and soaring prosperity as a result of the war). The Poles lost a portion of their country, annexed by the Soviet Union. They fell under Soviet domination, which has continued for 44 years.

Auschwitz was originally a camp meant to destroy the educated classes of Poland in order to render the Polish population leaderless in their resistance to Nazi exploitation. The Poles, like the Jews, were identified in Nazi racial doctrine as an inferior people. They were not, however, to be exterminated but permanently to be subjugated to Germany as a source of labor.

To that end, Polish political leaders, army officers, priests, teachers, landowners, aristocrats and other persons of influence were to be destroyed.

This program was begun at Auschwitz. Eventually, of course, and overwhelmingly, it was Jews who were murdered at Auschwitz, but it was not only Jews, and this is why there is resentment in Poland to what seems to many an attempt by Jewish groups to appropriate Auschwitz as a wholly Jewish place of memory. There is bitterness at the assumption by many in the West that only Jews were victims of Nazi extermination programs. There is resentment that the history of anti-Semitism in Poland has been cited to suggest that Poles somehow are partly responsible for the Holocaust, rather than having themselves been victims of Nazi racial policy.

There is something unbearable in this clash between the two peoples who suffered most from Nazism. It is madness, perpetuating the evil from which Nazism arose. Auschwitz is where Jews and Poles both died, where individuals died. Nonetheless, in justice, in inevitability, it would seem to this writer, a Catholic, that Jews possess the right to say the deciding word about the Auschwitz affair.

A former grand rabbi of France, René-Samuel Sirat, wrote recently: "No one in the world has the right to transform into a place of prayer this

place where the most appalling idolatry was practiced, by man proclaiming the death of God and striving to make himself divine by reducing other human creatures to the condition of objects, non-persons. Such prayers risk becoming, according to the biblical expression, 'an abomination.'

"Auschwitz must absolutely become a place of absolute silence, non-prayer, non-testimony, evidence of paroxysm and havoc... Let us all, together, make over the words of the psalmist, 'For you, Lord, the silence alone is prayer.'"

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There is something unbearable in this clash between the two peoples who suffered most from Nazism. It perpetuates the evil from which Nazism arose.

A Failure to Understand

IF THEY are praying, why don't they take their hats off and kneel down? A Polish peasant woman from the town of Auschwitz asked about a group of seven American Jews who were on the grounds of a Carmelite convent to protest its location just outside the former Nazi concentration camp.

On July 14, this sort of confusion escalated into violence when Polish workers poured water on the demonstrators and dragged them from the convent grounds.

As a Polish journalist, I reported on these events. It seemed clear that in addition to the undeniable Polish anti-Semitism, other factors triggered the trouble.

Two days later, for example, the visiting Jews demonstrated in Cracow's marketplace. Holding up American and Israeli flags, they demanded in English that the convent be removed, and recited texts in Hebrew. None of the onlookers understood.

Things went much better on the two occasions when the group's leader, Rabbi Abraham Weiss, was able to get around the language barrier and speak with Poles. He had a courteous exchange with the secretary of the Cracow bishopric. The rabbi spoke Yiddish, the priest German.

Still, the Polish public has little understanding of Jewish feelings in this affair. Few Jews remain in Poland; for years the word "Jew" in official newspapers was essentially an insult.

It is unlikely that most Poles, devout Catholics for the most part, could conceive how the cross that the nuns placed before Auschwitz could be a desecration; for some Poles, the American Jews' protest made them guilty of trespassing on the grounds of a convent where the nuns live in a closed order.

— Anna Husarska, an editor of the daily *Gazeta Wyborcza*, writing for *The Washington Post*.

Doubts on the Vatican

FOR decades, since Vatican II, active dialogue had been developing between Jews and Catholics. New ground was broken, old shibboleths cast aside. When John Paul II ascended to the Holy See, there was every expectation this would continue. He was from Poland, had experienced Nazi and Communist rule firsthand, and could be assumed to have special sensitivities toward all those peoples who had been singled out for suffering and death. When John Paul II broke precedent with his visit to a synagogue in Rome, Jewish hopes were raised further.

But things turned out differently. John Paul not only maintained Rome's policy against establishing diplomatic ties with Israel, he received Yasser Arafat and President Kurt Waldheim of Austria in audience.

Now comes the Auschwitz debate. The key to grasping the

In Defense of 'Wretched Excess'

By John Kenneth Galbraith

NEWFANE, Vermont — The normally adverse August social mood has been relieved this month by comment on two rather spectacular social events. One was the \$1 million party sponsored by Saul Steinberg for his 50th birthday by his fiscally attentive wife, Gayfryd.

The other, in the \$2 million price range, was the 70th birthday celebration accorded by Malcolm Forbes to himself. This affair took approximately 600 noted personages to Tangier on three chartered aircraft. They journeyed over most of a Friday, came back about a Sunday and in between had a triumphal welcome by the Moroccan armed forces and a big bash at Mr. Forbes's local estate.

Inevitably, there have been adverse, even insulting, words. Some have come from people who were themselves the guests of Mr. and Mrs. Steinberg. One invitee wished openly that he had had a check for his share of the money instead. The words "wretched excess" appeared prominently in other comment. One cau-

MEANWHILE

tious guest said of the Steinbergs that they had "earned their money in an honest way — at least, I hope so."

One guest, defending host and hostess at the Steinberg party, anticipated that most of the criticism would come from people who weren't there. It is partly to avoid such company that I here enter a defense of both of these occasions. I am persuaded that those who criticize are gravely lacking in scientific, historical and current economic perspective.

As far back as 1899, Thorstein Veblen saw such events as a wholly predictable aspect of established cultural anthropology. These observations, he said, admittedly have their "best development" at the higher stages of the barbarian culture, but elementary tribesmen and New Yorkers share the same commitment to exercises in competitive display.

"Costly entertainments, such as the polo and the ball, are peculiarly adapted to serve this end," Mr. Veblen noted. From such and similar ceremony come his immortal references to "conspicuous consumption" and "conspicuous waste" as wholly normal tendencies of the very affluent.

And there is further exculpation of Mr. Forbes from Mr. Veblen. He identifies the cruelty of the corset with the coruscation of the breasts of the women of the primitive peoples of the Pacific. Both forms of abuse serve social repulse; so, one cannot doubt, do the horror and suffering from spending the whole of a weekend in airplane seats, crossing and recrossing the Atlantic.

All with a tendency to criticize will see the continuing relevance of Mr. Veblen. He removes from hosts and guests any suggestion of questionable behavior or expenditure, and puts everything under the wholly neutral shelter of science. Anyone who criticizes is lacking in anthropological perception.

As an economist I would go further in my defense of what that guest called wretched excess. There is economic justification both from history and from the Washington of our day.

In 1897 in New York, word came to the Bradley Martins, socially and financially prominent citizens of the time, that all was not well with the poor in the city. Large of heart, the Martins responded. The Waldorf was requis-

itioned, the ballroom reconstructed to resemble Versailles and \$400,000, perhaps the equivalent of \$4 million today, was spent on the spree.

The purpose was to provide needed employment for the needful. To this end, the Martins, besides spending their own money, required their guests to come in costumes of the French court, thus making them spend money and employ people too. A double employment effect. It is told, however, that the eventual response to the Bradley Martin charity was not entirely favorable, and hurt by the criticism, they retired from the social scene.

I feel certain that New Yorkers of our day are economically and socially more sophisticated. They will see the employment provided by these occasions indeed, one of the Steinbergs' guests was quoted as saying, "A party like that employs plenty of people in the area and gives plenty of joy."

All will agree also that Mr. Forbes gave work to airplane crews and to needful Moroccans, and a study of the guest list shows that he may well have stimulated the advertising business by inviting the grateful response of the numerous corporate CEOs he carried with him.

But the more modern economic justification comes from Washington and the economics of our own time. That holds that in recent years the rich have not been working because they have had too little money and the poor have not been working because they have had too much.

To this end, taxes under Ronald Reagan were substantially reduced on the upper brackets, and there is now hope for yet further encouragement from a cut in the capital gains tax.

And here in these celebrations we see the very practical effect. Not only have Mr. and Mrs. Steinberg and Mr. Forbes been stirred from the alleged lethargy of the affluent, but with better treatment of capital gains the experience shows that we will almost certainly have yet more costly such events.

It is true that no hard productive investment in plant, tools or microchips will come from this effort. Neither research nor technological innovation will be appreciably advanced. There could even be some damage to America's competitive position from after-event hangovers and general lassitude. Mr. Veblen noted that "the pathological consequences of the free use of stimulants" were valuable indications of "the superior status of those who are able to afford the indulgence."

And, inevitably, there are critics who will say that these parties are paid for partly by the money flushed out into the economy by the U.S. deficit. I have no time for such niggling complaints.

The writer is professor emeritus of economics at Harvard University. He contributed this comment to *The New York Times*.

GUNS: South African Arms Flowed to Ulster Loyalists

(Continued from page 1)

officers disguised as hotel porters and waiters closed in on five men in a room at the Paris Hilton four months ago.

There they found a South African diplomat, Daniel Storm; an American arms merchant, Douglas Bernhardt; three representatives of Ulster Resistance, which is one of the underground Protestant groups, and a demonstration model of a British-made missile system.

Mr. Storm and two colleagues were expelled. Mr. Bernhardt was released on bail and the loyalists remain in jail facing charges of arms smuggling and conspiracy to engage in terrorism.

But from the trickle of information that has emerged, British and Irish security officials have pieced together much of the story of the South African connection. This account is based on information from those sources, who insisted on anonymity, and from sources inside the paramilitary organizations.

The Protestants' search for foreign weapons was initiated by Ulster Resistance, set up in 1986 in the aftermath of an Anglo-Irish accord that gave the Irish government in Dublin a consultative voice in

the North on behalf of the province's Catholic minority. Ulster Protestants opposed the accord.

The key figure in the weapons quest was said to be Noel Little, a clerical worker at a local school board in Northern Ireland.

According to these sources, Mr. Little traveled to Europe several times in 1987 and 1988 and eventually made contact with Armscor through the American arms dealer, Mr. Bernhardt, who served as middle man for the deal.

Ulster Resistance, the sources say, joined forces with the Ulster Defense Association and Ulster Volunteer Force to obtain arms. They had about \$500,000 taken from a bank robbery in the town of Portadown in July 1987.

Armscor's agents, by this account, were after something far more elusive and valuable than money: design plans and working parts for the sophisticated ground-to-air missiles, code-named Javelin and Starstreak, being manufactured or under development at Short Brothers, the Belfast arms maker.

They allegedly offered Mr. Little and his group several million dollars if he could deliver.

Ulster Resistance apparently tried to oblige. Last November a simulator aiming device for a Javelin missile was stolen from Short Brothers. In April someone took a cutaway model of an older Blowpipe missile from a Northern Ireland base of the Territorial Army, Britain's equivalent of the national guard.

That cutaway model is said to have made its way to the Paris Hilton along with Mr. Little and two accomplices, James King and Samuel Quinn, a Territorial Army sergeant major who instructs troops in the use of the Blowpipe and Javelin.

The Blowpipe is considered an outmoded missile system, and a cutaway model with no working parts is unlikely to have impressed Armscor.

Some sources suggest that Mr. Little was seeking either to trick the South Africans or to demonstrate that he could deliver the real goods later on. Others say that he was set up by British or French intelligence officers, and still others maintain that officials may be withholding information about just what he had brought for exchange.

L.A.: Exodus of Middle-Class Whites Leaves Vacuum

(Continued from page 1)

companies find a "West Coast lifestyle at half the price of L.A." in cities like Sacramento, Portland and Seattle.

But others are optimistic, among them Joel Kotkin, co-author of "The Third Century," a recent book that says Los Angeles is the city of the future.

Comparing its entrepreneurial economy to that of turn-of-the-century New York, he said that Los Angeles is benefiting from immigrants and the small industries they create. "In L.A. the future looks exciting and interesting — we are riding a wave," he says, adding that replacing middle class whites with immigrants, particularly Asians, is

a boon. "If it was a good for New York in 1910, why isn't it good for L.A. now?"


In this decade, according to calculations by the regional government association, 2.8 million people will have moved to elsewhere in California and to other states while only 2.7 million will have moved in. But the loss is more than offset by 1.2 million immigrants, about 500,000 of them illegal.

Association researchers project that from 1990 to 2010 such immigration will continue — a net loss of 700,000 offset by 2.1 million immigrants — and that the region's population will surpass New York's, reaching 18.3 million in 2010.

These projections assume that a new law meant to stem illegal immigration by imposing sanctions on companies that employ the aliens will have no effect. If that proves true, non-Hispanic whites will soon become a minority and Hispanics will be 41 percent of the population in 2010, up from 14 percent in 1970. Asians and others will account for 9 percent, up from 3 percent.

The 1975-1980 study by the regional government group found that while New Yorkers and other Easterners were still moving to Los Angeles, more Angelinos were moving to other Western states and other parts of California.

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De Klerk Outlines His 'New Vision' To Zambian Leader

By William Claiborne

Washington Post Service

LIVINGSTONE, Zambia — Acting President Frederik W. de Klerk of South Africa met Monday with one of his government's oldest and most uncompromising critics, President Kenneth Kaunda of Zambia.

Mr. de Klerk, making his third visit to a black African state in a month, later described Mr. Kaunda as an "earnest Christian who has thought a lot about the position of southern Africa," and said he hoped that their talks would open new doors.

For his part, Mr. Kaunda said he had "no disagreement at all" with the basic principles of political change for South Africa that Mr. de Klerk spelled out. But he indicated he would maintain a wait-and-see attitude on whether Mr. de Klerk's vision for change can satisfy the aspirations of South Africa's disenfranchised black majority.

Although little of substance came out of the three hours of talks, Mr. de Klerk's trip was a symbolic break from isolation for South Africa and, paradoxically, it occurred in a black-ruled African country that for years has been one of South Africa's bitterest enemies.

The two leaders had lunch just over a mile from where South African Army commandos raided suspected African National Congress guerrilla hideouts in April 1987, killing four persons and blowing up two houses.

It was the last of numerous South African attacks inside Zambia that had prompted Mr. Kaunda to brand Pretoria's leaders as "racist murderers" of South African refugees who had been given sanctuary in Zambia.

Mr. Kaunda is Africa's leading patron of the ANC, the main guerrilla force battling white minority rule in South Africa, which has its headquarters in the capital city of Lusaka.

In his angry resignation speech on Aug. 14, Mr. de Klerk's predecessor, Pieter W. Botha, criticized Mr. de Klerk's planned visit to Zambia and asserted that "the ANC is enjoying the protection of President Kaunda and is planning insurgency activities against South Africa."

In a joint news conference, Mr. de Klerk and the Zambian president denied that Mr. Kaunda had spoken for the ANC during their talks. They said they did not discuss the ANC conditions for nego-

tations with South Africa that were endorsed last week at a meeting of eight African leaders. The meeting, held in Harare, Zimbabwe, was chaired by Mr. Kaunda.

"There was a lot of speculation about whether we would have discussions on the so-called ANC proposals," Mr. de Klerk said. "It didn't come up. It wasn't discussed."

Later, during his flight back to Johannesburg, Mr. de Klerk said that he had informed Mr. Kaunda of "a new mood in South Africa" and had stressed the urgency of beginning negotiations with leaders of the black majority for a new constitution.

"I presented my vision and the vision I represent in public life — a positive vision of new movement inside South Africa," Mr. de Klerk said.

"I got the impression he listened very carefully, and his basic reaction was a positive one and also a wait-and-see attitude."



Mr. de Klerk, center, and R. F. Botha, South Africa's foreign minister, walking with President Kaunda in Zambia on Monday.

Chinese Student Gets 9 Years for Talking to VOA

By Michael Weisskopf

Washington Post Service

BEIJING — A 25-year-old art student has been sentenced to nine years in prison for informing the Voice of America of anti-government demonstrations in the city of Hangzhou last June.

The sentence, reported on Monday by the China Youth Journal, was the second harsh punishment given a Chinese accused of discussing pro-democracy activities with a U.S. broadcasting concern. The penalties are designed to discourage foreign coverage of the protest movement, especially by VOA, which broadcasts in China.

The article reported that the student, Zhang Weiping, of the Zhejiang Institute of Fine Arts in Hangzhou, eastern China, spread "counterrevolutionary propaganda" by participating in a VOA call-in program.

According to the journal, Mr. Zhang placed a collect call to the Washington-based show and reported that students had marched to a provincial government headquarters to demand that the flag be flown at half-staff to mourn victims of the army assault in Beijing.

Mr. Zhang also reportedly said

that Hangzhou residents had contributed \$2.5 million to the student movement.

Mr. Zhang created a "very bad political influence," the journal said. It called his reports untrue.

Mr. Zhang confessed, but defended the "counterrevolutionary motive of his activities," the article said.

Mr. Zhang was not accused of

although thousands of activists have been arrested and many sentenced to long terms in prison since early June, Mr. Zhang is the first student whose sentence has been publicized by the state-controlled media. Eight of 21 student leaders on a "wanted list" have been seized by authorities, but their fates are not known.

Mr. Zhang was not accused of

fomenting rebellion, but of spreading news of it.

In July, a 42-year-old office worker from Dalian was sentenced to 10 years in prison for telling an ABC-TV crew that 20,000 people were killed in the Beijing military sweep on June 3-4. He was found guilty of "counterrevolutionary rumor-mongering."

The VOA network, which is op-

erated by the U.S. government, broadcasts 12 hours a day in Chinese, reaching tens of millions of people with news and views often directly counter to the party line.

Many Chinese have come to rely on VOA for their news, listening in the privacy of their homes. This complicates official efforts to cover up such events as the Beijing massacre.

The farmers are forced to sell a certain percentage of their grain to the state, and the amount varies with the region, the crop and the harvest.

In Henan, where Mr. Yang procures grain, the percentage is generally 17 percent of a farmer's production.

The farmers can then sell the leftover grain to the market, at market prices, which this year are generally twice the state price.

But often even this price is administered by the government, which collects the "market" grain from the peasants to distribute and sell it to the market on their behalf.

Only if peasants transport the grain themselves to the market, usually a long distance away, do they get a true market price.

"I don't sell any of my grain to the market," said Hu Zhangdi, 36, whose income last year was the equivalent of \$540, shared among seven family members.

There are no government estimates for how many white slips were issued, although at least one economist put their total value at \$19 billion, most of it apparently later redeemed.

This year, in an effort to avoid a similar uproar, the state took greater pains to see that money set aside in its budget for grain was used precisely for that. It also called in the Chinese central bank to help finance grain procurement.

The bumper harvest this summer of more than 93.55 million metric tons of grain eases the pressure on the state, since farmers should have

substantial amounts of leftover grain, after they fulfill their state quotas, to sell for cash in the market.

Even so, the government has had to pay the value of \$6 billion to \$7 billion for the summer harvest and other seasonal agricultural products.

The reported battle marks a major outbreak of internecine fighting in mujahidin ranks at a time when U.S. and Pakistani backers of the guerrillas are urging them to unite politically and militarily against the Communist regime in Kabul.

According to reports reaching guerrilla officials in Quetta, Pakistan, a border city that has been a base for Afghan insurgents operating in the south and west of the country, reinforcements from the two rival groups have been moving toward the site of the battle recently and casualties have escalated.

The fighting reportedly erupted several weeks ago in southern Afghanistan's Helmand province between guerrilla groups affiliated with two major mujahidin political leaders, Abdul Rasul Sayaf and Mawlawi Nabi Mohammadi.

Mr. Sayaf is prime minister of the guerrillas' Pakistan-based government-in-exile and Mr. Mohammadi is its defense minister.

The cause of the battle, guerrilla officials said, is a dispute over who should control a strategic bridge over the Helmand River across which commercial and guerrilla vehicles must pass regularly. The vehicles pay tolls and taxes to which ever mujahidin group holds the bridge, and the rival insurgent

A 'Leap Forward' Is Urged to Reach Cambodian Accord

By Steven Greenhouse

New York Times Service

PARIS — Foreign Minister Roland Dumas of France, acting as host and co-president of an international conference on Cambodia, called Monday for one last effort to agree on a peace plan before the month-long conference ends Wednesday.

With the last round of the talks beginning, Mr. Dumas asked the representatives attending the conference to accept, "in a political leap forward, the necessary compromises" to end two decades of war in Cambodia.

Nonetheless, many ministers were pessimistic that the conference could come up with a comprehensive peace plan that would satisfy both the Vietnamese-backed government of Prime Minister Hun Sen and the guerrilla coalition fighting to depose him.

"We are nowhere near reaching agreement," said Singapore's foreign minister, Wong Kan Seng. "To pretend otherwise or to minimize the enormity of the task before us would not be helpful."

Mr. Dumas said that over the next two days the ministers should seek to forge agreement on five major points of discord:

• The role of the United Nations in supervising Cambodia once Vietnam withdraws its 26,000 remaining troops, scheduled to be completed by Sept. 27. The Hun Sen government objects to a large UN role, arguing that the United Nations favors the guerrillas.

• Whether to include the word "genocide" in the final communiqué. The Khmer Rouge, one of the parties seeking to oust Mr. Hun Sen, insists that the word be excluded. More than one million Cambodians died when the Khmer Rouge undertook a violent restructuring of the nation from 1975 to 1979.

The Vietnamese, who ousted the Khmer Rouge, insist that the word "genocide" be included.

• The problem of Vietnamese natives or colonists remaining in Cambodia after the troop withdrawal. Mr. Hun Sen's opponents say that one million Vietnamese will remain in Cambodia and that many will do Hanoi's bidding.

• The means to bring about a cease-fire.

• The question of national reconciliation, specifically, what form a provisional government should take. The adversaries disagree over whether the Khmer Rouge should be part of the government. The Vietnamese and Americans say no, and the Khmer Rouge's Chinese backers and Prince Norodom Sihanouk, head of the resistance, say that they should be included.

Foreign ministers from 13 nations are attending the final ministerial session. However, because the conference appears so far from achieving a solution, Secretary of State James A. Baker 3d decided not to attend this week's session. The Soviet, Chinese and British foreign ministers and the UN secretary-general, Javier Pérez de Cuellar, also said they would not come.

"Are the delegations ready to regain the spirit that characterized the first phase of this conference?" Mr. Dumas asked. "I want to believe it, and I launch an appeal to all in this direction."

Officials at the meeting said that Prince Sihanouk's announcement Sunday that he was resigning from the leadership of his anti-Hun Sen faction — but was remaining at the head of the opposition coalition — did not seem to have had a major impact on the conference.

Many delegates said that there did not appear to be enough time to resolve the outstanding problems.

Afghan Rivals Battle In Open Guerrilla Strife

By Steve Coll

Washington Post Service

NEW DELHI — Two rival Afghan guerrilla factions are engaged in open warfare for control of a strategic bridge in southwestern Afghanistan, and as many as 70 of the insurgents have been killed, according to guerrilla officials and Western diplomats in Pakistan.

The reported battle marks a major outbreak of internecine fighting in mujahidin ranks at a time when U.S. and Pakistani backers of the guerrillas are urging them to unite politically and militarily against the Communist regime in Kabul.

According to reports reaching guerrilla officials in Quetta, Pakistan, a border city that has been a base for Afghan insurgents operating in the south and west of the country, reinforcements from the two rival groups have been moving toward the site of the battle recently and casualties have escalated.

The fighting reportedly erupted several weeks ago in southern Afghanistan's Helmand province between guerrilla groups affiliated with two major mujahidin political leaders, Abdul Rasul Sayaf and Mawlawi Nabi Mohammadi.

Mr. Sayaf is prime minister of the guerrillas' Pakistan-based government-in-exile and Mr. Mohammadi is its defense minister.

The cause of the battle, guerrilla officials said, is a dispute over who should control a strategic bridge over the Helmand River across which commercial and guerrilla vehicles must pass regularly. The vehicles pay tolls and taxes to which ever mujahidin group holds the bridge, and the rival insurgent

groups are fighting for control of those revenues, the officials said.

Helmand is a major poppy-growing region in Afghanistan. Since the Afghan War began, the heroin and opium trade has boomed in the province, according to Western diplomats and drug enforcement officials in Pakistan.

In some cases, according to guerrilla sources in Quetta, trucks used to ship arms and supplies to the mujahidin in southern Afghanistan are loaded in Helmand with opium for the return journey to Pakistan.

Rafsanjani List Expected to Win Approval in Iran

United Press International

MANAMA, Bahrain — As the Iranian parliament continued its debate Monday on the new cabinet proposed by President Hashemi Rafsanjani, news organizations in Tehran reported that his nominee for interior minister was receiving support and predicted that his government list would be approved.

Mr. Rafsanjani, who submitted his list last week, angered a slim majority of radical deputies when he dropped a leading anti-Western hard-liner, outgoing Interior Minister Ali Akbar Mohtashemi.

The official Iranian news agency IRNA said that Abdollah Nouri, Mr. Rafsanjani's new choice for interior minister, "received support from a number of speakers, including a veteran deputy."

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U.S. Weapons Ban Having Little Effect

By George Lardner Jr.

Washington Post Service

WASHINGTON — The Bush administration's suspension of arms shipments to China has had little impact so far, officials say.

U.S. military contractors are still producing the weaponry, and China is still paying the bills to keep the production lines open. The only thing being held up at the moment is delivery of the items and, in most instances, the goods are not ready to be delivered in any case.

The bulk of those items will not be ready until 1991 or later — far enough away that it is difficult to predict the political climate in either the United States or China.

The administration imposed the embargo in response to the Chinese massacre of pro-democracy student protesters in early June.

President Bush's suspension order on June 5 covered \$500 million in military sales arranged between the two countries. The biggest item in that total was a \$502.1 million deal for U.S. electronics to upgrade China's fleet of F-8 fighter planes.

The F-8 modernization project is still in its developmental phase at Grumman Corp. in Bethpage, New York, where about 250 Grumman employees are working on modifications for test flights of two aircraft. Production will not begin until the test flight series is completed around 1991, according to a Grumman spokesman, Miriam Reid.

As a result, the only impact of Mr. Bush's order on this project appears to have been the furloughing of some 40 Chinese nationals, all people's Republic of China employees, who were being trained at Grumman to install and maintain the new equipment. Grumman told them June 7 to stop reporting for work, Ms. Reid said.

Under the law governing the foreign military sales program, foreign governments must supply the funds to keep such projects going. The Pentagon sends out bills each quarter to countries signed up under the program and pays U.S. contractors out of trust accounts set up for each country.

Bills to all countries, including China, were last sent out in June, apparently after the Beijing massa-

cre. A Pentagon spokesman, Lieutenant Commander Ned Lundquist, said the bills were usually sent out around the middle of the month.

Pentagon officials refused to say explicitly whether China paid its June bills, but they affirmed last week that "there are currently adequate funds" in China's trust fund account in Denver.

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Hume	2.92	Amepoll	2.85	NTT (Fr Subs)	1852
Inchape	5.45	MIM	2.98	Olympus Optical	1550
Koppel	3.10	Nat Aust Bank	2.62	Pioneer	1371
Li Keong	4.61	Nee Corp	2.69	Pratt	1290
Lum Chong	1.10	N Broken Hill	6.38	Sanyo Elec	885
Malayan Banks	7.05	Pasaden	2.77	Sharp	1440
OCBC	9.45	PCT Resources	2.78	Shimadzu	1550
		Perit	2.81	Sing Chem	1270

Thomas Nation	1.46	1.78	Sony	3750	3750
Western Mining	6.62	4.56	Sumitomo Bk	3780	3780
Western Bank Ltd	2.27	2.34	Sumitomo Chem	3800	3800

39160 Norcan	\$25 1/2	25 1/2	25 1/2	—	76
34497 Nova Car 1	97 1/4	9	9 1/4		
32500 Norweco W	\$14 1/4	14	14 1/4		16
11600 Onax Cf	\$16	15 1/4	16	+	16
26150 Oshawa A f	\$29	28 1/4	29	+	16
32708 PWA Corp	\$18 1/4	18	18	—	14
10130 Ppurin A f	\$8 1/2	8 1/4	8 1/4		
38800 Pura C f	98 1/2	98 1/2	98 1/2		

700 Alto net	\$184	184					
14825 A Barick	\$252	27					
14825 B Barick	\$252	27					
14825 C Barick	\$252	27					
14825 D Barick	\$252	27					
14825 E Barick	\$252	27					
14825 F Barick	\$252	27					
14825 G Barick	\$252	27					
14825 H Barick	\$252	27					
14825 I Barick	\$252	27					
14825 J Barick	\$252	27					
14825 K Barick	\$252	27					
14825 L Barick	\$252	27					
14825 M Barick	\$252	27					
14825 N Barick	\$252	27					
14825 O Barick	\$252	27					
14825 P Barick	\$252	27					
14825 Q Barick	\$252	27					
14825 R Barick	\$252	27					
14825 S Barick	\$252	27					
14825 T Barick	\$252	27					
14825 U Barick	\$252	27					
14825 V Barick	\$252	27					
14825 W Barick	\$252	27					
14825 X Barick	\$252	27					
14825 Y Barick	\$252	27					
14825 Z Barick	\$252	27					
14825 AA Barick	\$252	27					
14825 AB Barick	\$252	27					
14825 AC Barick	\$252	27					
14825 AD Barick	\$252	27					
14825 AE Barick	\$252	27					
14825 AF Barick	\$252	27					
14825 AG Barick	\$252	27					
14825 AH Barick	\$252	27					
14825 AI Barick	\$252	27					
14825 AJ Barick	\$252	27					
14825 AK Barick	\$252	27					
14825 AL Barick	\$252	27					
14825 AM Barick	\$252	27					
14825 AN Barick	\$252	27					
14825 AO Barick	\$252	27					
14825 AP Barick	\$252	27					
14825 AQ Barick	\$252	27					
14825 AR Barick	\$252	27					
14825 AS Barick	\$252	27					
14825 AT Barick	\$252	27					
14825 AU Barick	\$252	27					
14825 AV Barick	\$252	27					
14825 AW Barick	\$252	27					
14825 AX Barick	\$252	27					
14825 AY Barick	\$252	27					
14825 AZ Barick	\$252	27					
14825 BA Barick	\$252	27					
14825 BB Barick	\$252	27					
14825 BC Barick	\$252	27					
14825 BD Barick	\$252	27					
14825 BE Barick	\$252	27					
14825 BF Barick	\$252	27					
14825 BG Barick	\$252	27					
14825 BH Barick	\$252	27					
14825 BI Barick	\$252	27					
14825 BJ Barick	\$252	27					
14825 BK Barick	\$252	27					
14825 BL Barick	\$252	27					

32274 BC Phone	51%	14%	14%	-	1%	8060 Shell Con	542	41%	42	1
7600 Brunswick	572	12	12	+	1%	995 Sherritt	513%	13	13	-
777040 CAE	514%	14%	14%	+	1%					

desks index: **Class** 1,732.90 **Previous** 1,731.76

**INTERNATIONAL
MANAGER**
BY SHERRY BUCHANAN.
IN THE IHT EVERY THURSDAY.
ESSENTIAL READING FOR
EXECUTIVES WORKING IN
THE INTERNATIONAL

Record Stock Turnover Set in Taipei and Seoul

Compiled by Our Staff From Numerous

Analysts said that investors were reacting to President Roh Tae-woo's plan, announced Monday, to impose a heavy tax on landowners from next year in a move to curb real-estate speculation.

(Reuters, AFP)

**Resorts Fails
To Pay Interest
To Bondholders**

ATLANTIC CITY, N. J. — (UPI) —

100

TUESDAY, AUGUST 29, 1989

Page 9

INTERNATIONAL STOCK MARKETS

Why Norwegian Investors Hope Labor Gets the Vote

By STELLA BUGGE

OSLO — Their allegiance may at first glance seem ironic, but Norway's financial markets would rather see the Labor government stay in power after next month's elections than face an uncertain future with center-right parties. The markets' thinking is that Labor has improved Norway's oil-based economy with its austerity program. Most analysts, looking ahead to the Sept. 11 vote, say the center-right parties have not agreed on key financial policies. "Most investors hold that Labor is best to govern the country," said Gunnar Holten, chief analyst with Bergen Bank A/S. "Investors fear a government that would have to make constant compromises," said Stein Bruun, an analyst with the Oslo Finans brokerage. The minority Labor government and the main opposition Conservative party do not differ drastically on how to run Norway's welfare state. But the Conservatives face huge policy problems if they are to govern with the other center-right parties, with whom they ruled in a coalition from 1983 until 1986. The Conservatives want to cut heavy regional subsidies and bring Norway into the European Community. The Center party, a Conservative ally that represents the farming lobby, wants the opposite. Among other things, the Conservatives want to partly privatize the state oil company, Den Norske Stats Oljeselskap A/S, which is known as Statoil. The Christian People's Party, another key center-right ally, is against the idea. And the opposition has not even agreed upon who should be prime minister. Norway's electoral system of proportional representation means that almost all governments are based on coalitions or informal alliances — so the Conservatives cannot manage on their own and will have to compromise on some points.

Investors fear a government that would have to compromise.

PUBLIC OPINION is divided on the outcome of the elections. Some Norwegians expect Prime Minister Gro Harlem Brundtland to retain power, with the opposition divided. "I believe Labor will be in power" after the election, said Mr. Holten of Bergen Bank, "since the Conservative and center parties have problems in cooperating." But others point to the meteoric rise of the right-wing Progress Party, a self-declared enemy of the welfare state that is winning 20 percent of the vote in opinion polls. The party wants to slash taxes and subsidies and privatize the state sector. Led by Carl Hagen, a charismatic figure, the party could give the Conservatives the chance to form a government if the Conservatives' leader, Jan Syse, will work with him. Analysts say that a change of government might, in any case, make little difference, since Labor has been pursuing an increasingly center-right economic policy. Oslo Finans' Mr. Bruun, who was Finance Ministry spokesman in the last Conservative-led government, said he would not expect major economic changes if a new government takes over. Labor, facing record job levels of more than 4 percent despite a public commitment to maintain full employment, has implemented tough monetary policies since the 1986 oil-price collapse that plunged Norway into deep recession. At the same time, it has liberalized financial markets, by reopening the bond market to foreigners this year and allowing them to hold bigger stakes in Norwegian industry. The stock market is currently at record levels. The Oslo exchange's leading index closed Monday at 518.92 points, up from 342.79 at the beginning of this year and compared with its pre-collapse high of 442.44 points in September 1987, just before the world-wide stocks plunge.

Shares In Bond Take Dive

Exchange Seeks An Explanation

PERTH — The beleaguered Australian conglomerate Bond Corp. Holdings Ltd. said Monday that it had no explanation for the 11 Australian share price (8.4 U.S. cent) slump in its share price, to 50 cents, in early trading. Replying to an Australian Stock Exchange query on the fall in Bond shares Monday morning, the company said it knew of no market-sensitive information that would explain the drop. Analysts cited fresh concerns about Bond's plans to sell its brewing assets and said a major brokerage had been selling Bond shares short Monday. The company's shares recovered later in the day to close at 55 cents. Bond's previous recent low was 48 cents on July 10, its lowest level since trading at 47 cents in November 1984. Bond attributed the July slump to short-selling by investors hostile to the company, and to a broad-casting inquiry finding that Bond's chairman, Alan Bond, was not a fit and proper person to run his television and radio network. The company's shares had traded at 1.10 Australian dollars in late June. They had been as high as 2.40 dollars in mid-1988. The shares began to fall when the Australian Broadcasting Tribunal ruled after a year of hearings that Mr. Bond was unfit to hold the licenses for his national radio and television network. At the same time, a company controlled by Bond Holdings, Bell Resources Ltd., was suspended from trading on the Australian Stock Exchange after failing to provide information on its proposed 3.5 billion dollar takeover of the Bond brewing subsidiary. Bond Holdings' troubles have been growing since the company made a string of acquisitions, including G. Heileman Brewing Co. of the United States, for which Bond paid \$1.3 billion in 1987. The company has been trying to reduce its sizable debt of four billion Australian dollars (\$3.05 billion). Bond announced in May that its brewing and industrial operations had shed assets worth 3 billion dollars and would sell more to lessen its debt load.

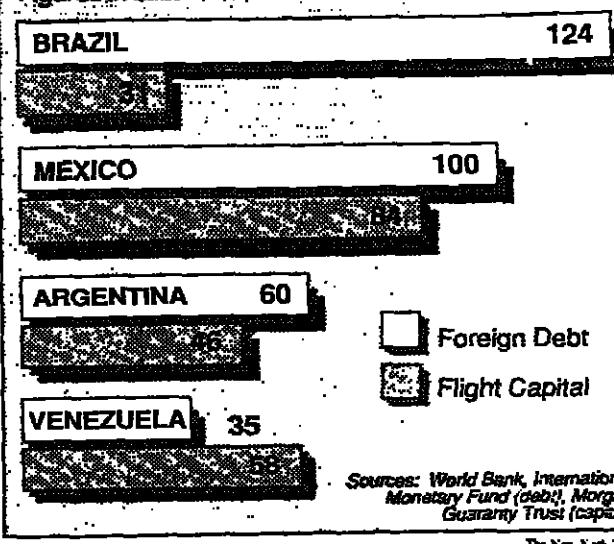
Latin Hopes for Debt Cuts Dampened

By James Brooke
New York Times Service

BRASILIA, Brazil — Following the recent debt-reduction accord set for Mexico, President Carlos Salinas of Mexico and President Carlos Andrés Pérez of Venezuela have asked for 50 percent reductions in the commercial debt owed by their countries. But South America's hopes for more generous treatment than Mexico received looked dim after a trio of Americans separately toured the continent this month. Asked in Chile about the debt-reduction deal worked out with Mexico, John S. Reed, chairman of Citicorp, replied, "That was for Mexico, and I don't believe there exists an opportunity for it to be repeated elsewhere." Mr. Reed, whose bank is Brazil's largest commercial creditor, added, "Developing nations should use their own resources for promoting growth." In Venezuela, Senator Richard Lugar, an Indiana Republican and member of the Foreign Relations Committee, described as unlikely "Venezuela's fixation of demanding a 50 percent writeoff." And in Argentina, David C. Mulford, the U.S. Treasury undersecretary, said, "If Argentina implements the right policies, opens its economy, privatizes and makes tax reforms, it certainly will be a candidate for the Brady initiative." He was referring to the proposal in March by Treasury Secretary Nicholas F. Brady under which debt relief would be offered to financially strapped countries that adjust their economic policies to favor private investment. In the presidential palace in Caracas, Mr. Pérez said in an interview, "Our overseas capital will only come back when there are stable economic conditions which give confidence — and this is precisely what we want to create." For years, negative domestic interest rates and an artificially strong local currency, the bolivar, motivated Venezuelans to ship their money overseas. Morgan Guaranty Trust Co. estimates that Venezuelans have about \$60 billion in foreign banks. Since taking office six months ago, Mr. Pérez freed interest rates and abandoned fixed exchange

Running From the Problems

Current debt figures and estimated flight capital-money invested overseas-between 1977 and 1987. Figures in billions of dollars



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U.K. Mulls Extended BAT Bid Timetable

By Warren Getler
International Herald Tribune

LONDON — British regulators indicated Monday that they might extend a pivotal deadline in the multibillion-pound takeover offer for BAT Industries PLC. Following last week's petition to the takeover panel by Hovlyake Investments Ltd., indications are that the bidding consortium's request for a relaxation of an 81-day bid deadline could win favor with the panel, a non-statutory body that regulates merger activity in Britain. Hovlyake, led by the British-French financier Sir James Goldsmith, has until Oct. 28 to complete its \$13.4 billion (\$21 billion) bid for the diversified tobacco concern, according to Take-over Code guidelines. But a lengthy legal battle in the United States over the right of state insurance commissioners to review a change in ownership at Farmers Group Inc., BAT's California-based insurer, threatens to put the timetable out of reach.

Under British rules, if an offer is not completed within the 81-day deadline, the bidder normally is barred for one year from attempting to buy the target company. Hovlyake is seeking an exemption, and two panel executives interviewed recently have indicated that there could be firm grounds for granting Hovlyake's request in its bid for BAT. Hovlyake argues that BAT shareholders, the great majority of whom are British, would be denied the opportunity to consider the bid for BAT on its merits because of a protracted U.S. regulatory process. Hovlyake, according to one of its key partners, Jacob Rothschild, has petitioned for either a set, limited extension of the 81-day deadline or an indefinite extension pending resolution of the U.S. process. Richard Godden, a Takeover Panel lawyer and member of the panel's 17-member executive, said, "It is desirable that shareholders of the target company have the opportunity to

consider — on its merits — any offer that anyone wants to make to them. This would argue for granting Hovlyake's application." Mr. Godden said the panel has been reluctant in the past to relax the strict timetable. "It is not in shareholders' interests to have a company under siege for a very long time; that is why we require one year to pass between the lapsing of one bid and the making of another," he said. "We have to consider these two factors," said Mr. Godden. "I can't say how long it will take. It's more important that we get it right than come to any immediate decision." But Mr. Godden said that while there are few significant cases of the panel's having granted a limited extension of, say, several weeks, there is an important precedent of the one-year waiting rule having been waived indefinitely pending regulatory clearance. The case involved last year's bid for Irish

See BAT, Page 12

Currency Rates

Currency	Per \$	Per £	Per ¥
American dollar	1.0000	0.7500	106.00
British pound	1.3333	1.0000	141.94
Japanese yen	0.0094	0.0070	100.00
Swiss franc	0.7500	0.5000	136.76
West German mark	1.9364	1.4603	193.64
French franc	0.0165	0.0125	166.67
Italian lira	0.0014	0.0010	136.76
Spanish peseta	0.0165	0.0125	166.67
Portuguese escudo	0.0020	0.0015	200.00
Belgian franc	0.0336	0.0250	336.00
Dutch guilder	0.0036	0.0027	360.00
Australian dollar	0.7500	0.5000	136.76
New Zealand dollar	0.6900	0.5175	125.00
South African rand	0.0400	0.0300	333.33
South Korean won	0.0017	0.0013	166.67
Chinese yuan	0.0007	0.0005	200.00
Indonesian rupiah	0.00001	0.000007	142.86
Singapore dollar	0.7500	0.5000	136.76
Thai baht	0.0250	0.0188	250.00
Malaysian ringgit	0.0035	0.0026	357.14
Philippine peso	0.0165	0.0125	166.67
Tagalog peso	0.0165	0.0125	166.67
Uruguayan peso	0.0002	0.0001	200.00
Venezuelan bolivar	0.000001	0.0000007	142.86

Closings in London, Tokyo and other centers. New York closing rates. n.a.: Commercial banks; b: To buy one pound; c: To buy one dollar; *: Units of 100; n.d.: Not quoted; N.A.: Not available.

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New York rates unless marked as local rates.

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Interest Rates

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French Tour Operators Scrubbing Their Alliance

Agence France-Presse

PARIS — A four-month alliance between France's two biggest tour operators, Club Méditerranée and Nouvelles Frontières, has broken up, the president of Nouvelles Frontières, Jacques Maillot, said Monday. Mr. Maillot said the April 27 alliance, billed as a preliminary to a merger that would have created the world's third-biggest tour operator, had "lapsed" amid disagreement over distribution and a plan to take over a loss-making airline. Speaking after a telephone conversation with Club Med's chief executive, Gilbert Trigano, Mr. Maillot said they would continue discussions about future cooperation. "Things may settle down, we'll continue talks," Mr. Maillot said. Under the April agreement, Club Med was to take a 34 percent stake in Nouvelles Frontières. That shareholding failed to take place, according to Mr. Maillot. He said there was no personal clash between him and Mr. Trigano, who also said in a radio interview that talks were continuing. Mr. Trigano said that the break was not "final" since another alliance could be forged in the future.

"Nothing is ever black and white and I'm not saying who's right and who's wrong," he said. But he added that he was "not very happy" about the outcome of the alliance. Mr. Trigano's adviser, Antoine Cuckin, said, "We must reach the same goal with other means." When the alliance was an-

Bayer Boosts First-Half Profit 18%

Chemicals Giant Expects Full-Year Result to Top Record

LEVERKUSEN, West Germany — Bayer AG, third-ranking of the big three German chemicals combines, announced Monday an 18.3 percent increase in pretax profit for the first half and said its earnings in the full year would top 1988's record results.

Bayer reported a group pretax profit for the six months of 2.20 billion Deutsche marks (\$1.12 billion), up from 1.86 billion DM in the same 1988 period, on group sales of 22.62 billion DM, up 11.8 percent from 20.23 billion the year before. About four percentage points of the sales growth stemmed from exchange-rate fluctuations, Bayer said.

The company also said its group net profit for the half was 1.10 billion DM, but provided no comparison.

Parent-company pretax profit rose to 1.27 billion DM from 1.07 billion on sales of 10.10 billion DM, up from 9.32 billion.

At the group level, domestic sales rose to 9.46 billion from 8.84

billion, a modest gain of 7 percent, while overseas sales grew by a more rapid 15.4 percent, to 13.16 billion DM from 11.40 billion.

Foreign sales were boosted by strong growth in North America, Bayer said, where sales rose 25.6 percent to 4.4 billion DM. Sales in Africa, Asia and Australia rose a sharp 28.5 percent to 2.0 billion DM.

"In light of the consistently high level of incoming orders we expect good results in the second half of 1989 as well," Bayer said in a statement. "Favorable economic conditions have not changed significantly, therefore we are optimistic that we can surpass 1988's excellent result this year."

In 1988, Bayer's group pretax profit rose 23.5 percent to a record 3.78 billion DM, from 3.06 billion in 1987.

Improved operating results continued to buoy overall earnings, Bayer said, noting that its already expanded production capacities were nearly fully utilized. A similar situation prevails at Bayer's compet-

itors, BASF AG and Hoechst AG.

Bayer said all sectors contributed to first-half sales growth, particularly its health-care operations, where turnover was up 21.9 percent on buoyant foreign demand.

Above-average sales growth was also achieved by the organic-chemicals sectors and in agricultural products, Bayer said.

Sales of industrial products, which comprise the biggest individual sector, rose 11.7 percent to 4.80 billion DM.

Bayer said that it planned total group fixed-asset investment of 3.4 billion DM in 1989, after 1.4 billion DM in the first half and 3.1 billion DM for the whole of 1988.

At the end of June, Bayer's purchase of the U.S. diagnostic equipment firm Cooper Technicon Inc. was completed at a total cost of 187 million DM, the company said.

The purchase, agreed to in late 1988, was expected to lift Bayer's total sales in the diagnostics business to about \$1 billion a year, the company said at the time.

Hoogovens's Stock Falls On Disappointing Profit

AMSTERDAM — Stock in the Dutch steel maker Koninklijke Nederlandse Hoogovens en Staalfabriek NV lost more than 14 percent of its value on Monday, falling after the company announced lower-than-expected earnings following the end of trading on Friday.

Hoogovens stock fell to 92.50 guilders (\$41.76) a share on Monday from 107.70 guilders on Friday.

Dealers said they had looked for net operating profit of 15 to 17 guilders per share for the latest half year, but Hoogovens posted an 11.08 guilder per share net operating profit on Friday.

"Combined with a bearish forecast for the second half, the market has decided there was little more to expect from Hoogovens," a dealer said. "So people are selling."

Hoogovens on Friday reported a first-half net profit surge to 562 million guilders from 84 million guilders a year earlier. The figure included a 356-million-guilder extraordinary gain on sales of a Dutch cement factory and West German cable maker.

Hoogovens said falling margins in its aluminum business meant net operating profit in the half would be below 226 million guilders.

Firms Focus on Detecting Disease

By Andrew Pollack
New York Times Service

NEW YORK — Biotechnology companies are getting ready to sell a new class of products that will greatly increase the ability of doctors to detect and diagnose cancer, heart disease and other diseases.

The first of these, known as a monoclonal antibody imaging agent, went on sale in some European countries last week.

The product, made by Centocor Inc. of Malvern, Pennsylvania, detects dead heart tissue, giving physicians a clear picture of the damage after a heart attack.

That product, and one from Neorx Corp. of Seattle for detecting melanoma, a form of skin cancer, are awaiting approval from the Food and Drug Administration to be sold in the United States.

Several other products from Centocor, Neorx and other biotechnology companies are in clinical trials that are expected to be completed in the next year or two.

And work is under way in developing agents that can detect other illnesses, from infections to hardening of the arteries and Alzheimer's disease.

Nokia Cites 'Financial Abuse' at Unit

By Juris Kaza
Special to the Herald Tribune

STOCKHOLM — Oy Nokia AB, the Finnish electronics and telecommunications concern, said Monday that apparent disloyalty by former managers had prompted an investigation of "financial abuse" at its Swedish mobile-telephone sales subsidiary.

Matti Saarinen, Nokia's chief information officer, said that people who had worked for Nokia Mobira AB in Sweden until 1987 were suspected of engaging in transactions for their own benefit by using business contacts related to their work for Nokia.

"The company name and business contacts were misused," Mr. Saarinen said, but he hastened to add that Nokia would not suffer any financial harm as a result of these activities.

Reached at a trade fair in West

Berlin, Mr. Saarinen said that more than one person had been involved in the irregularities, but none were employed by Nokia any longer.

"This has nothing to do with the present management of Nokia Mobira AB," he declared.

He denied Swedish press reports

of losses amounting to several tens of millions of kronor (10 million kronor is worth about \$1.5 million).

Mr. Saarinen said that once the investigation is completed, there could be grounds for filing a complaint with the Swedish police.

Airlines Remain Silent On Continental Interest

STOCKHOLM — Scandinavian Airlines System and Texas Air Corp. declined to comment on a Wall Street Journal report that SAS was interested in buying all or part of Continental Airlines from Texas Air.

Texas Air chairman Frank Lorenzo said last week the firm may consider selling a minority or controlling interest in Continental.

Nokia is a world leader in electronics. The company was shaken last December when its chief executive of 11 years, Kari A.O. Kairamo, committed suicide. The company then issued a statement, saying his "death was unconnected with Nokia's business."

Korea Clears Bailout Plan For Daewoo Shipbuilding

SEOUL — South Korea on Monday approved a 400 billion won (\$605 million) package of measures designed to bail out debt-ridden Daewoo Shipbuilding & Heavy Machinery Ltd., the Trade and Industry Ministry announced.

Approval was granted on condition that the Daewoo conglomerate inject an additional 400 billion won into the shipbuilding company, which it controls, by the fall of 1990 by selling some assets in its other subsidiaries, the ministry's announcement said.

In June, 9,500 blue-collar workers at the shipyard staged a violence-marred one-month strike, which ended after the government threatened to storm the yard and shut it down. Two workers burned themselves to death in protests during the strike. The unrest at the shipyard delayed implementation of the bailout, which was first announced in March.

Under the government bailout package, ministry officials said, Daewoo Shipbuilding & Machinery will be granted a moratorium on paying back a government loan of 249 billion won. The moratorium calls for the shipbuilder to pay back the loan in installments over 10 years after a seven-year grace period, the officials said.

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Matsushita Electric's Net Inched Up 2% in Quarter

TOKYO — Matsushita Electric Industrial Co. posted a 1.5 percent rise in group net profit in the quarter ended June 30, the company said Monday, adding that its gains were checked in part by flat domestic sales.

The Osaka-based company, the world's largest consumer electronics maker, said group net profit to 52.6 billion yen (\$366.0 million) from 51.8 billion in the year-earlier period. Sales rose 6.1 percent, to 1.40 trillion yen from 1.32 trillion yen.

The company said that despite international trade friction, overseas sales surged 17 percent, reflecting higher foreign production.

Matsushita said the biggest overall growth was seen in the areas of communications and industrial

NEC Increases Profit Outlook

TOKYO — NEC Corp. has raised the forecast for the net earnings of its parent company to 69 billion yen (\$480 million) for the year ending March 31 from an earlier forecast of 66 billion yen.

The electronics firm said Monday. The comparable figure for last year was 55.34 billion yen.

Sales are expected to be unchanged from an earlier forecast of 2.73 trillion yen, up from 2.54 trillion a year earlier.

The company attributed the upward revisions to good sales of semiconductors and the effect of a weaker yen.

NEC also said it plans to produce printed circuit boards in the United States.

Monday's NYSE Closing									
12 Month	High	Low	Stock	Div	Yld	PE	52	High	Low
12	30.1	29.8	IBM	3.12	4.2	12.5	24	110	108
13	28.5	28.2	AT&T	2.10	3.8	10.5	20	105	103
14	27.8	27.5	GE	1.50	4.5	11.0	18	95	93
15	26.5	26.2	Ford	1.20	4.8	10.0	15	85	83
16	25.8	25.5	Walt Disney	1.00	4.0	12.0	14	80	78
17	24.5	24.2	Merck	0.80	3.5	11.5	13	75	73
18	23.8	23.5	Johnson & Johnson	0.70	3.2	10.8	12	70	68
19	23.1	22.8	Pfizer	0.60	3.0	10.5	11	65	63
20	22.4	22.1	Amgen	0.50	2.8	10.2	10	60	58
21	21.7	21.4	Novartis	0.40	2.6	9.8	9	55	53
22	21.0	20.7	Schering-Plough	0.30	2.4	9.5	8	50	48
23	20.3	20.0	Roche	0.20	2.2	9.2	7	45	43
24	19.6	19.3	Novartis	0.10	2.0	8.8	6	40	38
25	18.9	18.6	Novartis	0.05	1.8	8.5	5	35	33
26	18.2	17.9	Novartis	0.02	1.6	8.2	4	30	28
27	17.5	17.2	Novartis	0.01	1.4	7.8	3	25	23
28	16.8	16.5	Novartis	0.00	1.2	7.5	2	20	18
29	16.1	15.8	Novartis	0.00	1.0	7.2	1	15	13
30	15.4	15.1	Novartis	0.00	0.8	6.8	0	10	8
31	14.7	14.4	Novartis	0.00	0.6	6.5	0	5	3
32	14.0	13.7	Novartis	0.00	0.4	6.2	0	0	0
33	13.3	13.0	Novartis	0.00	0.2	5.8	0	0	0
34	12.6	12.3	Novartis	0.00	0.0	5.5	0	0	0
35	11.9	11.6	Novartis	0.00	0.0	5.2	0	0	0
36	11.2	10.9	Novartis	0.00	0.0	4.8	0	0	0
37	10.5	10.2	Novartis	0.00	0.0	4.5	0	0	0
38	9.8	9.5	Novartis	0.00	0.0	4.2	0	0	0
39	9.1	8.8	Novartis	0.00	0.0	3.8	0	0	0
40	8.4	8.1	Novartis	0.00	0.0	3.5	0	0	0
41	7.7	7.4	Novartis	0.00	0.0	3.2	0	0	0
42	7.0	6.7	Novartis	0.00	0.0	2.8	0	0	0
43	6.3	6.0	Novartis	0.00	0.0	2.5	0	0	0
44	5.6	5.3	Novartis	0.00	0.0	2.2	0	0	0
45	4.9	4.6	Novartis	0.00	0.0	1.8	0	0	0
46	4.2	3.9	Novartis	0.00	0.0	1.5	0	0	0
47	3.5	3.2	Novartis	0.00	0.0	1.2	0	0	0
48	2.8	2.5	Novartis	0.00	0.0	0.8	0	0	0
49	2.1	1.8	Novartis	0.00	0.0	0.5	0	0	0
50	1.4	1.1	Novartis	0.00	0.0	0.2	0	0	0
51	0.7	0.4	Novartis	0.00	0.0	0.0	0	0	0
52	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
53	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
54	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
55	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
56	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
57	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
58	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
59	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
60	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
61	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
62	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
63	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
64	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
65	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
66	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
67	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
68	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
69	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
70	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
71	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
72	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
73	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
74	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
75	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
76	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
77	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
78	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
79	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
80	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
81	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
82	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
83	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
84	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
85	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
86	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
87	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
88	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
89	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
90	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
91	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
92	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
93	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
94	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
95	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
96	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
97	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
98	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
99	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0
100	0.0	0.0	Novartis	0.00	0.0	0.0	0	0	0

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'No Problem' To Fund BAT Deal, Axa Says

International Herald Tribune

PARIS — Claude Bédar, chairman of Axa-Midi Assurances, said Monday that the company would have "no problem at all" finding the \$5.5 billion that would be needed to support Sir James Goldsmith's takeover bid for BAT Industries PLC and Axa-Midi's acquisition of BAT's major American holding, Farmers Insurance Group.

Last week, Axa-Midi, the insurance subsidiary of Compagnie du Midi, proposed to buy Farmers for \$4.5 billion if Sir James's takeover vehicle, Hoyalake Investments Ltd., succeeds in the bid. It also would put up \$1 billion for 15 percent of Hoyalake.

Mr. Bédar said the company would put up \$1 billion from its cash holdings, while \$2.25 billion would be raised as typical leveraged buyout financing from American banks, to be repaid over 8 to 10 years through Farmers' cash flow. Details on the remaining \$2.25 billion are yet to be fixed.

BAT: Britain Considers Easing Deadline for Takeover

(Continued from first finance page)

Distillers Group PLC by GC & C Brands Ltd. The bidding company was initially a jointly owned subsidiary of Guinness PLC, Allied-Lyons PLC and Grand Metropolitan PLC, but ultimately, following a European Commission ruling, it passed under the control of Grand Met.

"We waived the one-year rule because we didn't think the shareholders of Irish Distillers had been given an adequate opportunity to consider the first offer," Mr. Godden said.

Another senior panel member, who declined to be named, explained that landmark intervention by the European Commission during the bid for Distillers was seen as the equivalent of a formal reference in Britain to the British Monopolies and Mergers Commission.

When an offer for a British company is referred to that commission, it formally lapses. Depending on the outcome of the reference, the bidder is allowed 21 days to relaunch a bid after the commission's findings.

The official said that the Takeover Panel had applied a certain logic in allowing GC & C to rebid for Distillers following the regulatory review in Brussels.

The panel member indicated

that he would favor applying the same logic in the case of U.S. regulators taking up the Hoyalake bid. If the panel were to allow an extension along such lines, Hoyalake, in theory, would be permitted to rebid immediately after a U.S. review.

He said that a decision would be made by two case officers evaluating the application. The two would have heard counter-arguments from BAT and will have sought opinions of other members.

He also predicted that any decision on the BAT bid would be appealed to the full 17-member panel.

Moreover, the panel will evaluate Hoyalake's allegations that BAT has sought — without shareholder approval — to deliberately frustrate the bid by attempting to prolong the U.S. regulatory process through lobbying.

Mr. Godden, the panel attorney, said that general principle 7 of the Takeover Code stipulates that "frustrating action" can only be undertaken with shareholder approval. A breach of that rule could merit an extension of Hoyalake's deadline, he said.

In an earlier, closely followed case involving Minerals & Resources Corp.'s bid for Consolidated Gold Fields PLC, the panel argued that Gold Fields' pursuit of litigation in the United States had

the effect of frustrating the offer without shareholder approval.

The panel extended Minorco's deadline to June 7 from May 17 as a result. But the move failed to save the bid, which lapsed when a U.S. judge blocked Minorco from acquiring Gold Fields' 49 percent-owned U.S. subsidiary, Newmont Mining Corp. Minorco had made its bid conditional on U.S. court approval.

According to sources familiar with Hoyalake's thinking, the consortium is loath to have its offer referred to the monopolies commission. While such a reference could win it valuable time vis-à-vis the American review process, there is concern in the Goldsmith camp that a review by the British merger watchdog would become bogged down in a heated discussion of the appropriateness of junk-bond financing for a bid of this size.

BAT has called for reference to the monopolies commission on precisely those grounds, hoping that the commission would decide that a huge, highly leveraged bid is against the public interest.

Under terms of the takeover code, a bid must obtain more than half of the target company's shares within 60 days of release of offer documents. The Hoyalake tender, formally launched Aug. 8, has until Oct. 7 to clear that first hurdle.

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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DEBT: Latin American Nations Are Unlikely to Get Generous Treatment

(Continued from first finance page)

foreign private banks than any other Latin country since the debt crisis began in 1982. In the last five years, it has paid \$29 billion. Venezuela's commercial debt is \$29 billion out of a total debt of \$35 billion.

"The banks may be harder on us because they realize our situation is not such a bad case," said Andres Duarte Vivas, a Venezuelan businessman.

In a warning to the banks, Mr. Perez said that for his liberalization program to succeed, "it is indispensable that we solve the debt problem and that we have flows of fresh money."

On Aug. 17, the Congress in Argentina, a nation also committed to a dual strategy of seeking debt relief and improving investment conditions, passed a law to privatize 30 large state-owned companies partially or completely.

In coming weeks, the Congress is to debate a law that would protect dollar deposits in Argentina. In many Latin American countries, such as Venezuela, government officials have changed rules on dollar deposits without public notice, forcing depositors to receive payment in local currency.

A law protecting dollar depositors would help bring home some of the estimated \$46 billion that Argentines keep in overseas bank accounts.

"Menem's convinced that he has to have the right rules and environment to attract investment," said an American banker in Buenos Aires.

In two weeks, Argentine officials are to start negotiating with the IMF to obtain a \$1.5 billion standby loan. Since April 1988, Argentina has met only a small fraction of its debt payments. Today, out of a total backlog of \$4.4 billion, the IMF is owed \$620 million. About half of Argentina's \$60 billion foreign debt is owed private banks.

"To get on the Brady list, you are going to have to have performance under the IMF program," the American banker said.

Of Latin America's top four debtors, Brazil seems the most distant from winning relief.

Brazil's lame-duck president, José Sarney, has lost control of Congress and, consequently, of his

budget. With inflation soaring at almost 50 percent a month and the budget deficit widening, the nation has fallen out of compliance with an IMF program signed last year.

Brazilians seem to be leaning toward Fernando Collor de Mello as Mr. Sarney's successor. For the last three months, Mr. Collor, who calls himself a "free-market, free-enterprise" candidate, has maintained a lead of 25 percentage points over his closest rival, a socialist, in the polls.

Next month, Mr. Collor is to travel to New York to discuss with bankers his program for debt relief for the 1990s. Brazil, the developing world's largest debtor, owes \$124 billion.

Although a Brazilian delegation had been in Washington until recently, prospects seem poor for a new short-term deal with the IMF. To keep the economy moderately stable during the election period, Brazil is slowing payments to foreign creditors in a strategy known here as "negotiated lateness" or "white moratorium."

To protect reserves, Brazil is not expected to make \$2.3 billion in payments to private banks that come due in mid-September. Brazil has blocked payment of \$1 billion in foreign obligations to keep reserves above \$6 billion.

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Monday's NASDAQ Prices

Prices as of 4 p.m. New York time.
This list, compiled by the AP, contains the 1,000 most traded securities in terms of dollar volume.
It is updated twice a year.

Via The Associated Press

100 Most Traded Stocks Div. YH PE High Low 4PM CLOS

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Dollar Gains Against Yen Despite Bank Sales

Reverses

NEW YORK — The dollar

closed little changed Monday

against most major currencies

after trading, but advanced against

the yen despite sales of the U.S.

currency by the Bank of Japan during

the Asian trading day.

After trading most of the day

below 1.96 Deutsche marks on

position-squaring in a narrow market,

the dollar recovered to close at

1.9635 DM, against Friday's

1.9625.

Dealers noted that the Federal

Reserve Board checked dollar

levels against the yen, Swiss franc

and sterling — a possible precursor

to intervention — but apparently did

not intervene.

The dollar rose to 144.56 yen at

the close, from Friday's 143.900

finish, after trading as high as

144.70. Continuing political

uncertainty in Japan was the main factor

weighing on the yen, dealers said.

The London market was closed

for a bank holiday.

Commenting on the dollar's

move below 1.96 DM, Cyrus Whitney

of Commerzbank AG in New

York said, "There was a general

bullish feeling in the morning; it's a

little squaring up."

Earlier, in afternoon trading

in Tokyo, the Bank of Japan sold

dollars through brokers when the U.S.

currency reached 144.50 yen. Dealers

said the central bank probably

sold at several levels between

144.40 to 144.50 yen and the total

amount involved was probably less

than \$500 million.

The fairly overt intervention

came as a central-bank official was

quoted as saying that an excessive

rise of the dollar against the yen

could hinder efforts by Japan and

the United States to rectify their

trade imbalance and could push up

Japan's domestic prices.

The British pound declined

slightly to close at \$1.5640 after

Friday's \$1.5670, with trading

especially thin in the absence of a

London market, dealers said. The

dollar inched up to 1.6935 Swiss

francs from 1.6910 and to 6.6140

French francs from 6.6090.

Dealers said the market was

seeking to test 1.97 DM this week

but they were uncertain whether

that level would be breached. Most

thought that the dollar would re-

main in relatively narrow ranges

unless U.S. economic data surprise

the market.

The second-quarter U.S. gross

national product, due Tuesday, is

expected to be revised upward to a

2.5 percent growth rate from the

previously reported 1.7 percent.

Looking to the yen, dealers said

that political uncertainty in Japan

could continue to weigh on the cur-

rency. The dollar's break above 144

yen during Asian trading was also

viewed as significant by some.

The next technical resistance for

the dollar is seen at 145 yen, but

dealers were unsure whether the

market would have enough mo-

mentum to break that level.

ADVERTISEMENT

INTERNATIONAL FUNDS

August 28, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some funds based on issue price.

The national symbols indicate frequency of quotations supplied: (D) - daily; (W) - weekly; (B) - bi-monthly; (P) - quarterly; (S) - semi-annually; (Y) - annually

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SPORTS

A Grand Farewell for Chrissie

By Robert McG. Thomas Jr.

NEW YORK — There are new seats at Court 16, new flooring at the concession area and new scoreboards everywhere. But for the 400,000 or so spectators expected at the National Tennis Center over the next two weeks, the chief attraction of the 1989 U.S. Open will be neither the facilities nor the furniture.

It will be the 128 men and 128 women competing for \$5.1 million in prize money and the singular honor that comes from winning seven consecutive matches against the most accomplished players the sport has to offer.

With a field that includes eight former open champions representing 25 previous singles championships (and enough talented not-yet-champions to extend the championship rolls into the next century), the tournament, which began Monday and continues through Sept. 10, should offer enough action to keep fans riveted to their seats.

For many, the most interesting question to be resolved this year may not be who will win the singles championships, or given their respective recent dominance, who will lose to Steffi Graf and Ivan Lendl in the finals. It will be rather: Who will beat Chris Evert in her final match as a touring pro?

The six-time champion, who will be making her 19th appearance, has announced that this will be her last regular tournament.

And although sentimentalists would no doubt like their darling Chrissie to go out in a blaze of glory — in what with a pipe dream seventh title at least with an emotional 18th trip to the semifinals — even that could be unlikely for a woman of 34, especially for one bracketed with a group of upset specialists.

If Evert, who is seeded fourth, does manage to reach the semifinals, the match would have a certain nostalgic appeal since her likely opponent would be her old rival, Martina Navratilova, the four-time champion



Andy Clark/Reuters

The six-time champion, making her 19th appearance, has said this will be her last regular tournament.

who is seeded second and seems likely to reach the final for the sixth time.

To reach Navratilova, Evert will have to get past a phalanx of queen killers, including an expected second-round match against Lori McNeil (No. 26 in the world computer rankings), who broke Evert's 16-year streak of consecutive semifinal appearances by beating her in the 1987 quarterfinals and who beat her in Tokyo in their only meeting this year.

A New Generation to Watch Out For

New York Times Service

NEW YORK — Some of the young players who have begun to make their mark: Monica Seles; Yugoslavia, 15, 5-foot, 4 inches (1.62 meters) and 99 pounds (45 kilograms). Left-handed, hits with two hands on both sides. Reached semifinals of French Open, beating Zina Garrison and losing in three sets to Graf. Reached fourth round of Wimbledon, losing to Graf. Won Virginia Slims of Houston beating Chris Evert in the final. Coached by Nick Bollettieri. Ranked No. 12.

Amy Frazier; Rochester Hills, Michigan, 16, 5-8, 130 pounds. Right-handed with two-handed backhand. Won the Virginia Slims of Kansas this winter and the semi of the Virginia Slims of Albuquerque this summer. Ranked No. 40.

Conchita Martinez; Spain, 17, 5-7, 130

pounds. Right-handed. Won Eckerd Open in Tampa, Florida, this spring, beating Sabatini in the final. Best results to date have been on clay; she is unproven on hard courts.

Darvid Wheaton; Minneapolis, 20, 6-3, 171 pounds. Right-handed with two-handed backhand. Semifinalist at Stratton, Vermont, where he beat Agassi. Ranked No. 62. Played one year for Stanford (1988) and was member of its NCAA championship team; won Brasilia Challenger satellite event in April.

Goran Ivanisevic; Yugoslavia, 16, 6-4, 161 pounds. Left-handed. Reached Australian Open quarterfinals in January, runner-up at Florence and semifinalist at Nice this spring. Fourth round at French. Ranked No. 49. Has 1989 victories over Leonete, Cheshnokov and Agassi. Member of Yugoslav Davis Cup team. All court player.

Evert also would have to survive a quarter-final match, presumably against either the 1985 Open champion Hana Mandlikova (16) or Zina Garrison (5) who has won two tournaments and reached three other finals this year.

Given the tournament's potential matchups, getting past the round of 16 could be asking a lot of Evert.

To those drawn to the dynamic dimensions of tennis, perhaps nothing could be more appealing than the prospect of a torch-passing, fourth-round showdown between the aging Evert and Monica Seles, 15, the Yugoslav whose blazing professional debut year has given promise that she is destined to be the next Chris Evert, who was herself a teen-ager when she played in her first U.S. Open in 1971 and served notice that Billie Jean King's days were numbered.

Seles and her sudden rise have reminded many of Graf, the defending open champion who has won 61 of 65 matches and 11 of 13 tournaments this year, but she is hardly the only teen-age sensation in the tournament. The list includes both Gabriela Sabatini, 19, who beat Graf earlier this year, and Arantxa Sanchez of Spain, 17, who stunned the world's No. 1 player to win the French Open.

Since then, however, Graf dispatched Sanchez on her way to the Wimbledon championship, and Sabatini's game has been in decline, including a loss to Sanchez in last week's Canadian Open.

On the men's side, where Lendl has been considered virtually unbeatable of late, there seem to be a couple of red-hot challengers. One is a resurgent John McEnroe, the four-time open champion who made it to the Wimbledon semifinals and later won the U.S. Hardcourt championships in Indianapolis. One of three tournaments he has won this year.

The other is Brad Gilbert, 28, the Californian who has won 22 of 23 matches and three tournaments in a row since Wimbledon, including the Association of Tennis Professionals championships, where his victims included the Wimbledon champion, Boris Becker, the open's second-seeded player, and the Wimbledon runner-up, Stefan Edberg, seeded third.

Becker has been ailing lately, as has Edberg. Both withdrew from last week's Norstar Bank Hamlet Challenge Cup, Becker with a sore back and Edberg with a severe case of the hives.

As for the defending open champion, Mats Wilander, his No. 5 seeding reflects a recent decline, including a loss to Edberg at the ATP championships.

The men's division's own teen-age sensation, Andre Agassi and Michael Chang, who won the French Open, have been unable to recapture their earlier brilliance.

Although there would appear to be no clear challenger to Lendl, the men's division offers the possibility of its own nostalgic farewell, albeit one that has not been announced in advance.

For Jimmy Connors, a five-time champion who will be celebrating his 37th birthday during what will be his 20th U.S. Open, is clearly approaching the end of his career.

SIDELINES

Frost Wins Playoff on 2d Hole

AKRON, Ohio (NYT) — David Frost came out of the right rough at the second playoff hole, the 18th, then chipped from the fringe and sank a three-foot (91-centimeter) putt for Sunday to beat Ben Crenshaw and win the World Series of Golf.

Crenshaw was unable to save par from an even worse position in the right rough on 18. The popular 37-year-old Texan, who has not won on the PGA Tour in a year and a half, now has lost all seven playoffs he has been in during his 17-year tour career.

But his \$108,000 consolation for second place increased his earnings to \$4,043,175 as he became the fifth man in PGA Tour history to surpass the \$4 million mark in official career earnings. The others are Tom Watson, Jack Nicklaus, Tom Kite and Curtis Strange.

Players' Union Sues to Stop

NFL's Testing for Steroids

WASHINGTON (AP) — The National Football League Players Association filed a motion Monday for a temporary restraining order in U.S. District Court to block the league from identifying and suspending players who test positive for steroids.

The NFL was scheduled Monday to announce a list of players who had tested positive.

The players' union called the accuracy of testing procedures "highly questionable" and said the players suspended would be permanently stigmatized. When 1,600 players were tested before the 1987 season, 6 percent were found to use steroids.

For the Record

Mike Quick, a five-time NFL Pro Bowl receiver, signed three one-year contracts Monday with the Philadelphia Eagles; the terms of the deal were not disclosed. (AP)

Al Toon, the leading pass-catcher in the NFL last season, signed a series of three one-year contracts with the New York Jets; terms were not disclosed. (AP)

Anthony Carter, the Minnesota Vikings' Pro Bowl receiver who wants a raise from \$400,000 a year to \$1 million, arrived at training camp Monday to practice and continue negotiations. (AP)

Nural Huda Abdullah, 17, of Malaysia won the women's 200-meter butterfly and 200-meter backstroke Monday for a record eighth swimming gold medal in the Southeast Asian Games in Kuala Lumpur, Malaysia. (UPI)

The Manchester United soccer team signed Middlebrough defender Gary Pallister for £2.3 million (\$3.6 million), a record transfer payment by a British club. (AP)

Chris Patton, a Clemson University senior who is 6-1, 300 pounds, defeated Danny Green of Tennessee, 3 and 1, Sunday to win the U.S. Amateur Golf Championship. (AP)

John Devereux, the Welsh rugby star, is expected to sign a four-year contract with Widnes, the British Rugby League champion. (AP)

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE			
East Division			
	W	L	Pct.
Baltimore	49	41	.541
Toronto	47	43	.519
Boston	44	46	.489
Chicago	43	47	.479
Minnesota	41	49	.451
Cleveland	38	52	.421
New York	37	53	.410
Seattle	47	43	.519
Philadelphia	47	43	.519

West Division			
	W	L	Pct.
Oakland	52	36	.591
California	47	41	.533
Kansas City	47	41	.533
Los Angeles	47	41	.533
Minnesota	44	44	.500
Seattle	44	44	.500
Chicago	44	44	.500

NATIONAL LEAGUE			
East Division			
	W	L	Pct.
Chicago	47	41	.533
Montreal	47	41	.533
St. Louis	47	41	.533
New York	47	41	.533
Pittsburgh	47	41	.533
Philadelphia	47	41	.533

West Division			
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San Francisco	47	41	.533
San Diego	47	41	.533
Los Angeles	47	41	.533
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Sunday's Line Scores

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Seattle	6	0	Red Sox
Seattle	6	0	Red Sox

IS A WIZARD?

